

2016

Comprehensive Annual Financial Report



Community strength... for generations

City of Coon Rapids, Minnesota

For the Year Ended December 31, 2016

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CITY OF COON RAPIDS
MINNESOTA**

For the fiscal year ended December 31, 2016

ISSUED BY THE FINANCE DEPARTMENT

Sharon S. Legg, Finance Director
Francine Hanson, Accounting Manager

Members of the Government Finance Officers Association
of the United States and Canada

On the cover: Sand Creek Athletic Complex was completely renovated in 2015 and 2016, thanks to funding from a Park Bond Referendum approved by voters in 2013. The park features a large meeting/concessions building with indoor restrooms, six new ball fields, two playgrounds and a skate park.

CITY OF COON RAPIDS, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016

TABLE OF CONTENTS

	<u>EXHIBIT NUMBER</u> <u>STATEMENT SCHEDULE</u>	<u>PAGE</u> <u>NUMBER</u>
I. INTRODUCTORY SECTION		
Letter of Transmittal		1
Certificate of Achievement for Excellence in Financial Reporting		7
Organizational Chart		8
Directory of Officials		9
II. FINANCIAL SECTION		
Independent Auditors' Report		11
Management's Discussion and Analysis		15
A. Basic Financial Statements		
<u>Government-Wide</u>		
Statement of Net Position	A-1	32
Statement of Activities	A-2	33
<u>Fund Financial Statements</u>		
<u>Governmental Funds</u>		
Balance Sheet	B-1	36
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	B-2	39
Statement of Revenues, Expenditures, and Changes in Fund Balances	B-3	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	B-4	42
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual-General Fund	B-5	43
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Housing Programs Fund	B-6	51
<u>Proprietary Funds</u>		
Statement of Net Position	B-7	54
Statement of Revenues, Expenses, and Changes in Net Position	B-8	57
Statement of Cash Flows	B-9	58
<u>Fiduciary Fund</u>		
Statement of Fiduciary Net Position - Agency Fund	B-10	62
Notes to the Financial Statements		63
B. Required Supplementary Information		
Schedule of City's Proportionate Share of Net Pension Liability Defined Benefit Pensions Plans – GERF Retirement Fund		101
Schedule of City's Proportionate Share of Net Pension Liability Defined Benefit Pensions Plans – PEPFF Retirement Fund		102
Schedule of City Contributions – Defined Benefit Pensions Plans		103
Schedule of Funding Progress – Other Postemployment Benefits Plan		104

CITY OF COON RAPIDS, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016

TABLE OF CONTENTS

	<u>EXHIBIT NUMBER</u> <u>STATEMENT SCHEDULE</u>	<u>PAGE</u> <u>NUMBER</u>
 C. Combining and Individual Statements and Schedules		
Combining Balance Sheet - Governmental Fund Types (Nonmajor Funds)	C-1	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Types (Nonmajor Funds)	C-2	107
 <u>Special Revenue Nonmajor Funds</u>		
Combining Balance Sheet	D-1	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	D-2	112
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:		
Law Enforcement Programs Fund	D-3	114
Fire Department Programs Fund	D-4	115
Lodging Tax Fund	D-5	116
Public Communication Fund	D-6	117
Commissions and Events Fund	D-7	118
Senior Activity Fund	D-8	119
Community Development Block Grant Fund	D-9	120
Curbside Recycling Fund	D-10	121
 <u>Debt Service Nonmajor Funds</u>		
Combining Balance Sheet	E-1	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	E-2	125
Schedule of Revenues, Expenditures, and Changes in Fund Balance:		
Tax Increment Bonds of 2003B	E-3	126
Lease Revenue Bonds	E-4	127
Park Improvement Bonds	E-5	128
Equipment Certificates	E-6	129
 <u>Capital Projects Nonmajor Funds</u>		
Combining Balance Sheet	F-1	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	F-2	134
Schedule of Revenues, Expenditures, and Changes in Fund Balance:		
Facilities Construction Fund	F-3	136
Equipment Certificate Fund	F-4	137
Street Reconstruction Fund	F-5	138
Capital Equipment Fund	F-6	139
Sidewalk Construction Fund	F-7	140
Riverdale Area Fund	F-8	141
 <u>Other Comparative Information</u>		
Schedule of Improvement Bonds - Balance Sheets by Bond Year	G-1	144
Schedule of Improvement Bonds - Revenues, Expenditures and Changes in Fund Balance by Bond Year	G-2	146
Schedule of Special Assessment Capital Projects Funds - Balance Sheets by Bond Year	H-1	148
Schedule of Special Assessment Capital Projects Funds - Revenues, Expenditures and Changes in Fund Balance by Bond Year	H-2	149

CITY OF COON RAPIDS, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016

TABLE OF CONTENTS

	<u>EXHIBIT NUMBER</u> <u>STATEMENT SCHEDULE</u>	<u>PAGE</u> <u>NUMBER</u>
Park Improvement Fund -		
Schedule of Revenues, Expenditures and Changes in Fund Balance	I	150
Housing and Redevelopment Authority Capital Projects Fund -		
Schedule of Revenues, Expenditures and Changes in Fund Balance	J	151
Water Fund:		
Statement of Net Position	K-1	153
Statement of Revenues, Expenses and Changes in Net Position	K-2	154
Statement of Cash Flows	K-3	155
Sewer Fund:		
Statement of Net Position	K-4	156
Statement of Revenues, Expenses and Changes in Net Position	K-5	157
Statement of Cash Flows	K-6	158
Storm Water Drainage Fund:		
Statement of Net Position	K-7	159
Statement of Revenues, Expenses and Changes in Net Position	K-8	160
Statement of Cash Flows	K-9	161
Golf Fund:		
Statement of Net Position	K-10	162
Statement of Revenues, Expenses and Changes in Net Position	K-11	163
Statement of Cash Flows	K-12	164
Internal Service Funds:		
Statement of Net Position	L-1	166
Statement of Revenues, Expenses and Changes in Net Position	L-2	167
Statement of Cash Flows	L-3	168
Agency Fund - Statement of Changes in Assets and Liabilities	M	169
 <u>Other Supplemental Information</u>		
Schedule of Bonded Indebtedness	N	172
Schedule of Bond Maturities	O	174

III. STATISTICAL SECTION

Government-wide Net Position by Component – Last Ten Fiscal Years	1	179
Changes in Net Position – Last Ten Fiscal Years	2	180
Fund Balances – Governmental Funds – Last Ten Fiscal Years	3	182
Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	4	183
Market Value and Tax Capacity Value of Taxable Property – Last Ten Fiscal Years	5	184
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	6	185
Principal Property Taxpayers – Current Year and Nine Years Ago	7	186
Property Tax Levies and Collections – Last Ten Fiscal Years	8	187
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	9	188

CITY OF COON RAPIDS, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016

TABLE OF CONTENTS

	<u>EXHIBIT NUMBER</u> <u>STATEMENT SCHEDULE</u>	<u>PAGE</u> <u>NUMBER</u>
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	10	189
Direct and Overlapping Governmental Activities Debt	11	190
Legal Debt Margin Information – Last Ten Fiscal Years	12	191
Pledged Revenue Coverage – Last Ten Fiscal Years	13	192
Demographic and Economic Statistics – Last Ten Fiscal Years	14	193
Principal Employers – Current Year and Nine Years Ago	15	194
Full Time City Government Employees by Function – Last Ten Fiscal Years	16	195
Operating Indicators by Function – Last Ten Fiscal Years	17	196
Capital Asset Statistics by Function – Last Ten Fiscal Years	18	198



Community strength...for generations

June 12, 2017

Honorable Mayor, Members of the City Council, City Manager and Citizens of the City of Coon Rapids

In accordance with State Statutes and the City Charter, the annual financial report of the City of Coon Rapids as of December 31, 2016 and for the fiscal year then ended is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the data, including all disclosures, rests with the City. Management believes that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial statements and accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived, and the evaluation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Malloy, Montague, Karnowski, Radosevich & Co., P.A., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Coon Rapids financial statements for the year ended December 31, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Coon Rapids

The City of Coon Rapids is a northern suburb (population 62,726) of the Minneapolis/Saint Paul metropolitan area, situated in southwestern Anoka County. The City's area is approximately 23 square miles. Coon Rapids is the tenth largest suburb in the Minneapolis/Saint Paul metropolitan area and the twelfth largest city in Minnesota according to the 2010 census.

Coon Rapids was incorporated as a village in 1952 and became a Home Rule City in 1959 and operates under a Council/Manager form of government. The City Council consists of seven members, including the Mayor, five members elected by ward and one member elected at large. The Mayor and Councilmembers serve four-year terms.

City functions are divided into nine departments including administration, legal, city clerk, finance, community development, police, fire, public works and municipal golf. In 2016, there were 229 full-time and 64 full-time equivalent part-time employees on the City payroll. Citizen involvement includes participation on nine commissions and boards including planning, adjustment and appeal, safety, parks and recreation, arts, charter, historical, civil service and sustainability.

The City provides protective services through its police department, comprised of 73 full-time employees, five community service officers and eight reserve officers. The fire department has 32 full-time members and 16 part-time paid-on-call members.

The City provides municipal water, sewer and storm sewer to all of the areas of the City. These operations, as well as a municipal owned golf course, Bunker Hills Golf Club, are accounted for within these financial statements in separate self-balancing funds.

To determine the reporting entity for this report, units outside of the primary government were reviewed to determine if they should be included in the report. These units consisted of the Coon Rapids Housing and Redevelopment Authority, the Coon Rapids Economic Development Authority, Coon Rapids Fire Relief Association, and the Coon Rapids Mortgage Assistance Foundation. Only the Housing and Redevelopment Authority and Economic Development Authority met the established criteria, and accordingly are included in this report.

Chapter 1-700 of the City Charter of the City of Coon Rapids sets forth the requirements for preparation of the annual budget. Minnesota Statutes 275 as amended mandates budget approval and certification requirements that are different than the City Charter. The City Charter requires the budget be submitted to the Council no later than the first regular meeting in September. Where Minnesota Statutes are in conflict with charter requirements, the Minnesota Statutes prevail. The property tax levy resolution must receive preliminary approval prior to September 30 of each year. Preliminary tax levies must be certified to the County Auditor by September 30 which can be lowered before final adoption in December, but not increased.

It is the duty of the City Manager to enforce the provisions of the budget. Orders are only approved for expenditures which have been appropriated in the budget resolution and for which there are sufficient unexpended balances in the appropriate fund after deducting the total past expenditures and the sum of all outstanding orders and encumbrances against such fund. In certain cases, by a vote of four members, the Council may authorize the transfer of sums from unencumbered balances to other purposes.

Local economy

Coon Rapids is located 12 miles north of Minneapolis and St. Paul, with major freeway access to both cities, as well as commuter rail and express bus service to Minneapolis. Coon Rapids offers an extensive bike trail system with connections to a well-established metro bike trail system, as well as the Mississippi River Trail bikeway. State funding in the amount of \$14.1M was just approved to construct a railroad overpass at the Hanson Boulevard railroad crossing. Hanson Boulevard is a major north/south corridor through the city, and this major infrastructure investment will help improve safety and alleviate traffic congestion at an at-grade railroad crossing. The City will assist Anoka County (the lead agency) in the construction of the new railroad overpass. Right-of-way and utility relocation is presently underway. Construction will begin in 2018 with completion of the overpass expected in 2019.

The tax base of the City is relatively diverse, with the top ten taxpayers comprising just eleven percent of the total net tax capacity. Major employers in the City include Mercy Hospital with 1,974 employees as well as Independent School District 11 with roughly 1,241 employees. The largest private employer, RMS Company, has about 830 employees. Major industries in the area include an aviation contractor, biomedical research center, electronic contractors, a major commercial printer, and metals fabrication in addition to significant retail and assisted living facilities. The Riverdale Regional Shopping area, with 2,600,000 square feet of retail space (one of the larger shopping centers in the metro area) has a low vacancy rate. A large contract manufacturer for the medical device and aerospace industries recently completed their fourth large expansion adding over a hundred new jobs.

The City is positioning itself to continue its vibrancy, given that it is a fully developed city, by adding amenities that will continually bring young families into the City, maintaining our high quality of education as well as the housing stock. Additionally, Coon Rapids is working in collaboration with the County and the School District to share resources to the extent possible, trying to reduce costs while providing a high level of service.

The Coon Rapids housing market continues to be strong. The City has been proactive in facilitating multi-family housing development on publicly owned development sites. The 167-unit River North Senior Apartments opened in 2016 and is fully occupied. A mixed-income, transit-oriented housing development (250 units; \$61M construction value) will break ground in the fall of 2017 adjacent to the Riverdale Transit Station, which features commuter rail and bus service. The City's single family housing market is also strong with homes on the market an average of 50 days (in April 2017). The median sale price for single family homes has increased an average of 5.1% between April 2016 and April 2017.

Long-term financial planning

The City Council has established a policy of retaining a minimum of 45% of the next year's General Fund expenditure budget for working capital to allow for cash flow until tax settlements are received and to allow for unforeseen contingencies. Additionally, long-term capital planning has occurred for utility system improvements, park improvements, vehicle and facility improvements. Utility and golf rates are set with long term projections as guides to assure net profits are positive.

The City maintained its bond rating of Aa1 from Moody's Investors Service. The Aa1 rating reflects a favorable proximity to the Twin Cities Metro area, stable financial operations with healthy reserves, ample alternative liquidity, healthy enterprise operations and affordable debt levels as positives in the rating review.

Relevant financial policies

Cash available during the year was invested in accordance with Minnesota Statutes Chapter 475 and the Investment Policy approved by the City Council. Investment balances at year-end are reported at fair value and investment income includes the change in the fair value of investments. The December 31, 2016 fair value of investments held was 1.08% or \$921,413 under the maturity (par) value and the change in fair value for 2016 was a decrease of \$505,588. The City's policy is typically to hold all investments until maturity. Therefore, unless the City liquidates any investments prior to maturity, it is expected that the difference between fair value and par value is temporary.

An annual review is made of all debt issues to determine if refinancing or calling of any issue would be financially beneficial. In 2017, \$1,495,000 of the 2008A G.O. Utility Bonds and \$845,000 of the Bonds of 2010B were called since they had interest rates that exceeded investment yields. Funding for this call was provided through the available fund balance for the bonds.

The City of Coon Rapids provides pension benefits for employees through a state-wide plan called the Public Employees Retirement Association. In 2016, the employer rate for the coordinated plan was 7.5% and the police and fire plan was 16.2%. The State of Minnesota can change these rates in the future based on the funding level of the plan.

Other post employment benefits are being funded in the amount of the annual required contribution through transfers from the General Fund and investment income earned in the Insurance Reserve Fund. These amounts are held in the Retirement Insurance Internal Service Fund.

Additional information on the City of Coon Rapids' pension arrangements and post-employment benefits can be found in section IV of the notes to the financial statements.

Major initiatives

The City passed a referendum in the fall of 2013 allowing the City to issue \$17.4 million in bonds to fund repairs, reconstruction, upgrades and enhancements to several parks and trails within the city. Construction continued through 2016 with Delta, Mason, Pheasant Ridge and Woodcrest Parks all being renovated. In 2017, construction will begin on the city's first splash pad and new park located on the grounds of the Coon Rapids Ice Center. In 2017, \$1,690,000 of these bonds will be sold.

The grand opening celebration of the \$7 million newly renovated Sand Creek Athletic Complex was held on May 26, 2017. This park features several new amenities including a concessions/meeting space/warming house in the center of the park, as well as two new playgrounds. The complex meets state and regional requirements for sanctioned league play for young children to Class B softball. In addition to softball, the complex offers baseball, football, lacrosse, soccer, ice skating and skateboard options.

Street reconstruction continued in 2016, with the rebuilding 7.5 miles of streets.

Coon Rapids Boulevard redevelopment continues to be a priority for the public and City staff. The City is working on a preliminary development agreement with Centra Homes that would bring a new residential community to the Port Riverwalk area featuring one and two-level townhomes, which would increase the City's tax base.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Coon Rapids, Minnesota for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. This is the fortieth consecutive year that the City of Coon Rapids has received this prestigious award.

In order to be awarded a Certificate of Achievement for Excellence, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, which conforms to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence is valid for one year only. We believe our current report continues to conform to Certificate of Achievement for Excellence Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the City of Coon Rapids has received the GFOA's Distinguished Budget Presentation Award for its annual budget for the last thirty-two years.

Acknowledgements

The preparation of this financial report could not have been accomplished without the dedicated efforts of the Finance Department, especially Dianne Nelson and Laurie Tornquist, Accounting Technicians, and other members of the Accounting Division. In addition, the assistance of representatives from the firm of Malloy, Montague, Karnowski, Radosevich & Co., P.A., has enabled us to conform to the most recent changes in reporting requirements for local government. Their expertise and willingness to assist us in revising reporting mechanisms and updating controls has been greatly appreciated.

We also thank the Mayor and City Council for their interest and support in planning and implementing the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Sharon S. Legg
Finance Director



Francine Hanson
Accounting Manager

dmn

Reader's Notes:



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Coon Rapids
Minnesota**

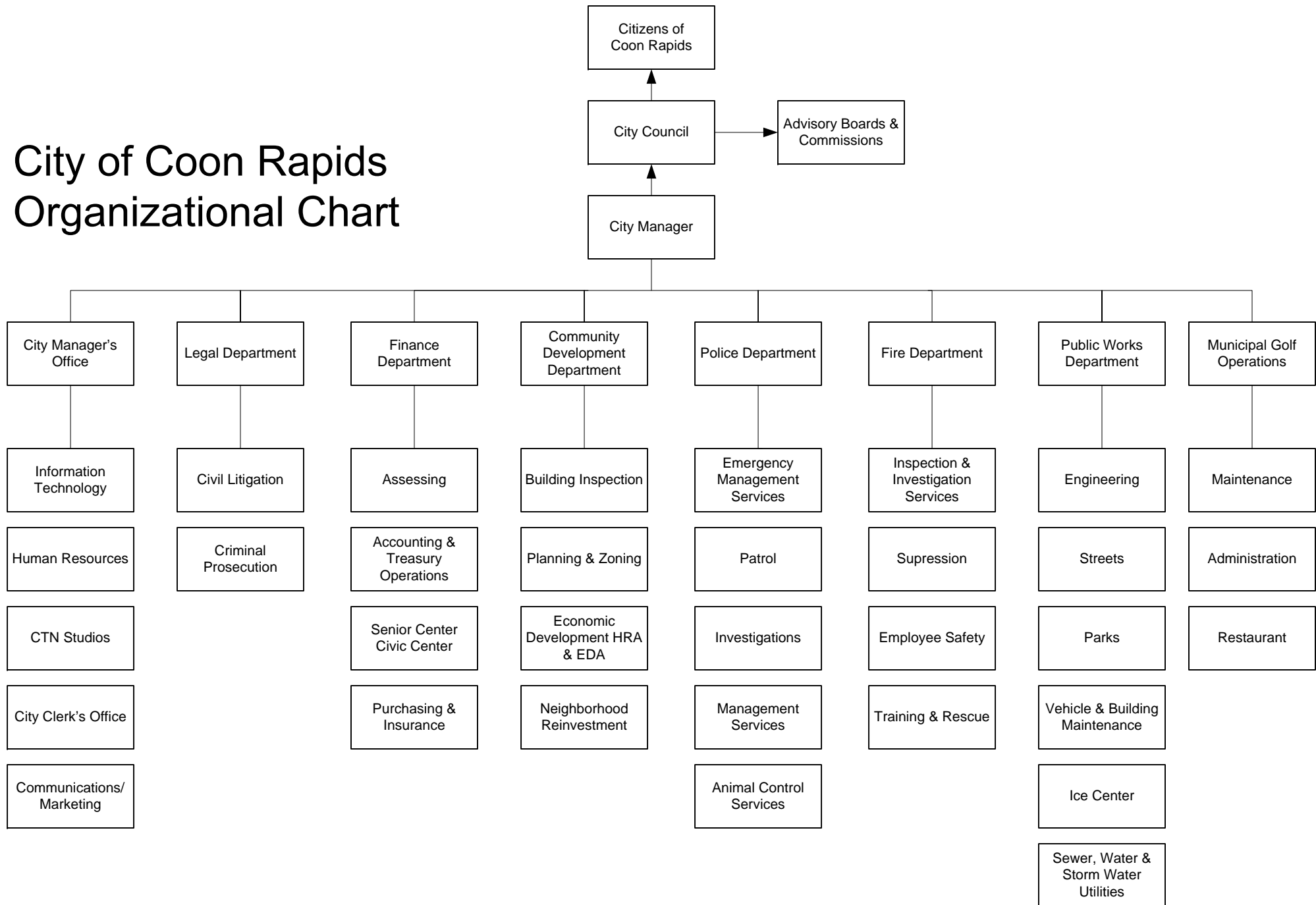
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is fluid and cursive.

Executive Director/CEO

City of Coon Rapids Organizational Chart



CITY OF COON RAPIDS, MINNESOTA

DIRECTORY OF OFFICIALS

	<u>Elected Officials</u>	<u>Year Term Expires</u>
Jerry Koch	Mayor	2018
Steve Wells	Councilmember-At-Large	2020
Denise Klint	Councilmember, Ward 1	2016
Ron Manning	Councilmember, Ward 2	2016
Wade Demmer	Councilmember, Ward 3	2018
Jennifer Geisler	Councilmember, Ward 4	2020
Brad Johnson	Councilmember, Ward 5	2018

Management Team

Matt Stemwedel	City Manager
Tim Anderson	Golf Pro/Manager
Dave Brodie	City Attorney
Grant Fernelius	Community Development Director
Tim Himmer	Public Services Director
Sharon S. Legg	Finance Director
Joan Lenzmeier	City Clerk
John Piper	Fire Chief
Brad Wise	Police Chief

Reader's Notes:

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Coon Rapids, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coon Rapids, Minnesota (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and Housing Programs Special Revenue Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

(continued)

Prior Year Comparative Information

We have previously audited the City's 2015 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 8, 2016. In our opinion, the partial comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota
June 12, 2017

Reader's Notes:

CITY OF COON RAPIDS, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Coon Rapids, we offer readers of the City of Coon Rapids' financial statements this narrative overview and analysis of the financial activities of the City of Coon Rapids for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introduction Section of this report.

Financial Highlights

- The City of Coon Rapids' assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$279.0 million. Of this amount, \$41.3 million may be used to meet the government's ongoing costs to citizens and creditors.
- The government's total net position decreased by \$1.0 million, excluding a prior period adjustment reported in the current year as discussed below.
- A prior period adjustment was recorded to reduce the beginning net position in the government-wide financial statements by \$3.5 million related to the advancement of State aid funds for construction projects.
- At the close of the current fiscal year, the City of Coon Rapids' governmental funds reported combined ending fund balances of \$62.3 million, a decrease of \$5.6 million in comparison with the prior year. This decrease is primarily due to a \$3.5 million prior period adjustment to State aids mentioned above. Approximately 69 percent of this total amount, or \$43.0 million, is available for use within the City's constraints and policies.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$13.6 million, or 48.8 percent of 2016 General Fund expenditures.
- The City of Coon Rapids' outstanding bonded debt increased by \$5.4 million during the current fiscal year. This increase was the result of the issuance of \$9.5 million for the Bonds of 2016A offset by principal payments of \$4.1 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Coon Rapids' *basic financial statements*. The City of Coon Rapids' *basic financial statements* are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. In addition, this report also contains detail on nonmajor funds and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Coon Rapids' finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City of Coon Rapids' assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Coon Rapids is improving or deteriorating.

CITY OF COON RAPIDS, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and accrued interest payable).

Both of the government-wide financial statements distinguish functions of the City of Coon Rapids as follows: **governmental activities** are principally supported by taxes and intergovernmental revenues and **business-type activities** are functions that are intended to recover all or a significant portion of costs through user fees and charges. Although program revenues are aligned with program expenditures in governmental activities, the revenue is not intended to cover costs without taxes. The governmental activities of the City of Coon Rapids include general government, public safety, community services, community development and public works. The business-type activities of the City of Coon Rapids include water, sewer and storm water drainage utilities and a golf course.

The government-wide financial statements include not only the City of Coon Rapids itself (known as the primary government), but also a legally separate Housing and Redevelopment Authority (HRA) and a legally separate Economic Development Authority (EDA) for which the City of Coon Rapids is financially accountable. The HRA and EDA, although legally separate, function for all practical purposes as departments of the City of Coon Rapids and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found in the Financial Section of this report under the Basic Financial Statements.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Coon Rapids, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Coon Rapids can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF COON RAPIDS, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Coon Rapids maintains 24 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Housing Programs Fund, Improvement Bonds Fund, Special Assessment Fund, Park Improvement Fund and HRA Fund, all of which are considered to be major funds. Data from the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements as well as individual statements elsewhere in this report.

The City of Coon Rapids adopts an annual budget for its General Fund and Housing Programs Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found in the Basic Financial Statements Section of this report.

- ***Proprietary funds.*** The City of Coon Rapids maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Coon Rapids uses enterprise funds to account for its water, sewer and storm water drainage utilities and for its golf course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Coon Rapids' various functions. The City of Coon Rapids uses internal service funds to account for an insurance reserve, compensated absences and retirement insurance. Because these services benefit governmental and business-type functions, they have been allocated between governmental and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as included in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer and storm water drainage utilities and for the golf course, all of which are considered to be

CITY OF COON RAPIDS, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

major funds of the City of Coon Rapids. There are three internal service funds which are summarized and presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found in the Basic Financial Statements Section of this report.

- ***Fiduciary funds.*** Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's programs. The City of Coon Rapids maintains an agency fund, a type of fiduciary fund, which is not reflected in the government-wide financial statements because the resources in that fund are not available to support the City of Coon Rapids' own programs.

The basic fiduciary fund statement can be found in the Basic Financial Statements Section of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Basic Financial Statements Section of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents the combining statements referred to earlier in connection with the nonmajor governmental funds which can be found in the Combining and Individual Statements and Schedules portion of the Financial Section of this report. This portion of the Financial Section also includes comparative information and supplemental debt schedules.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Coon Rapids, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$279.0 million at the close of the most recent fiscal year.

The largest portion of the City of Coon Rapids' net position (76.4 percent or \$213.3 million) reflect its net investment in capital assets (e.g., land, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The City of Coon Rapids uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Coon Rapids' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF COON RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

An additional portion of the City of Coon Rapids' net position (8.8 percent or \$24.4 million) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (14.8 percent or \$41.3 million) may be used to meet the government's ongoing obligations to citizens and creditors.

City of Coon Rapids' Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$93,701,906	\$91,441,244	\$14,766,443	\$16,752,019	\$108,468,349	\$108,193,263
Capital assets net of accumulated depreciation	157,149,792	148,169,084	115,758,745	109,792,722	272,908,537	257,961,806
Total assets	<u>\$250,851,698</u>	<u>\$239,610,328</u>	<u>\$130,525,188</u>	<u>\$126,544,741</u>	<u>\$381,376,886</u>	<u>\$366,155,069</u>
Deferred outflows of resources						
Pension plan deferments - PERA	<u>\$30,276,785</u>	<u>\$3,458,471</u>	<u>\$995,728</u>	<u>\$213,186</u>	<u>\$31,272,513</u>	<u>\$3,671,657</u>
Liabilities						
Long-term liabilities outstanding	\$90,598,281	\$57,085,890	\$25,157,083	\$22,155,266	\$115,755,364	\$79,241,156
Other liabilities	5,111,791	3,059,473	3,141,430	1,470,432	8,253,221	4,529,905
Total liabilities	<u>\$95,710,072</u>	<u>\$60,145,363</u>	<u>\$28,298,513</u>	<u>\$23,625,698</u>	<u>\$124,008,585</u>	<u>\$83,771,061</u>
Deferred inflows of resources						
Pension plan deferments - PERA	\$5,390,921	\$2,439,157	\$271,162	\$174,230	\$5,662,083	\$2,613,387
Grants for subsequent years - MSA	3,998,047				3,998,047	
Total deferred inflows of resources	<u>\$9,388,968</u>	<u>\$2,439,157</u>	<u>\$271,162</u>	<u>\$174,230</u>	<u>\$9,660,130</u>	<u>\$2,613,387</u>
Net position:						
Net investment in capital assets	\$119,831,514	\$114,625,585	\$93,448,156	\$89,686,706	\$213,279,670	\$204,312,291
Restricted	24,423,525	24,289,623			24,423,525	24,289,623
Unrestricted	31,774,404	41,569,071	9,503,085	13,271,293	41,277,489	54,840,364
Total net position	<u>\$176,029,443</u>	<u>\$180,484,279</u>	<u>\$102,951,241</u>	<u>\$102,957,999</u>	<u>\$278,980,684</u>	<u>\$283,442,278</u>

At the end of the current fiscal year, the City of Coon Rapids is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Total net position decreased by \$4.5 million, which reflects a decrease of \$1.0 million from current year operating results and \$3.5 million due to the prior period adjustment mentioned earlier.

**CITY OF COON RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

City of Coon Rapids' Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$6,312,025	\$5,777,581	\$20,502,541	\$18,336,709	\$26,814,566	\$24,114,290
Operating grants & contributions	2,087,260	2,085,293			2,087,260	2,085,293
Capital grants & contributions	6,255,382	6,302,213			6,255,382	6,302,213
Total Program revenues	14,654,667	14,165,087	20,502,541	18,336,709	35,157,208	32,501,796
General revenues:						
Property taxes	25,466,060	24,729,332			25,466,060	24,729,332
Tax increments	195,104	190,799			195,104	190,799
Utilities tax	3,217,612	3,244,295			3,217,612	3,244,295
Grants & contributions not restricted to specific programs	1,160,917	1,117,258			1,160,917	1,117,258
Unrestricted investment earnings	595,755	1,349,718	82,575	269,989	678,330	1,619,707
Gain on sale of capital assets	3,161	262,910			3,161	262,910
Other	1,133,391	1,839,229	61,231	63,884	1,194,622	1,903,113
Total General revenues	31,772,000	32,733,541	143,806	333,873	31,915,806	33,067,414
Total revenues	46,426,667	46,898,628	20,646,347	18,670,582	67,073,014	65,569,210
Expenses:						
General government	6,186,499	5,760,719			6,186,499	5,760,719
Public safety	21,028,077	16,476,755			21,028,077	16,476,755
Community services	996,475	674,796			996,475	674,796
Community development	3,963,110	4,166,027			3,963,110	4,166,027
Public works:						
Streets	7,566,093	6,782,990			7,566,093	6,782,990
Parks and recreation	4,607,840	4,156,673			4,607,840	4,156,673
Maintenance of buildings/vehicles	1,500,865	1,457,211			1,500,865	1,457,211
Engineering and design	657,853	578,134			657,853	578,134
Interest on long-term debt	920,120	934,556			920,120	934,556
Water			5,433,086	5,575,874	5,433,086	5,575,874
Sewer			6,615,202	6,100,977	6,615,202	6,100,977
Storm water drainage			1,352,985	1,255,199	1,352,985	1,255,199
Golf			7,251,832	6,293,356	7,251,832	6,293,356
Total expenses	47,426,932	40,987,861	20,653,105	19,225,406	68,080,037	60,213,267
Change in net position	(1,000,265)	5,910,767	(6,758)	(554,824)	(1,007,023)	5,355,943
Net position at beginning of year, as previously stated	180,484,279	174,573,512	102,957,999	103,512,823	283,442,278	278,086,335
Prior Period Adjustment	(3,454,571)				(3,454,571)	
Net position at Beginning of Year, Restated	177,029,708	174,573,512	102,957,999	103,512,823	279,987,707	278,086,335
Net position at end of year	\$176,029,443	\$180,484,279	\$102,951,241	\$102,957,999	\$278,980,684	\$283,442,278

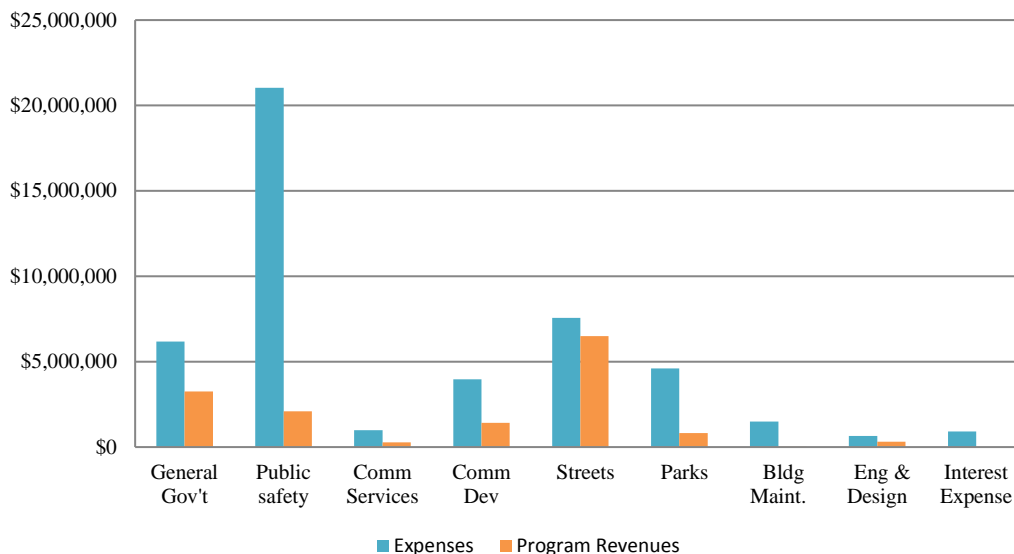
CITY OF COON RAPIDS, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities. Governmental activities decreased the City of Coon Rapids' net position by \$1.0 million. Key elements of this decrease are as follows:

- Program expenses increased 15.7 percent (\$6,439,071), program revenues increased 3.5 percent (\$489,580) and general revenues not specific to a program decreased 2.9 percent (\$961,541).
- The increase in program expenses was primarily in the public safety due to the City's pension expense which included \$4.7 million related to the unfunded pension plan administered by PERA liability offset by a decrease in current operations by \$195,603.
- The increase in program revenues was primarily due to increases of \$200,893 in general government charges for services and \$179,601 in public safety charges for services.
- The decrease in general revenues not specific to a program was primarily due to decreases in unrestricted investment earnings (\$753,963), utilities tax (\$26,683), sale of capital assets (\$259,749), and other revenues (\$705,838) offset by increases in property taxes (\$736,728), and grants and contributions not related to specific programs (\$43,659).

Expenses & Program Revenues - Governmental Activities

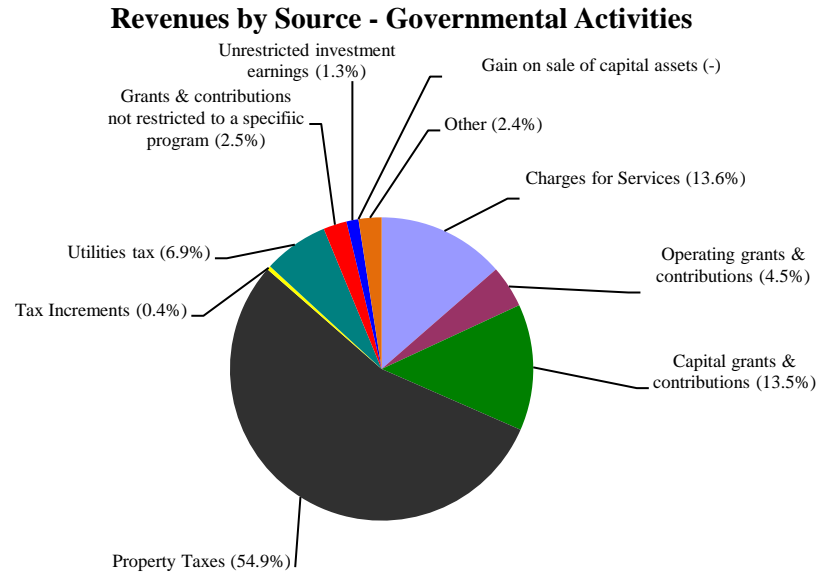


Expense and Program Revenues - Governmental Activities

	Expenses	Program Revenues	Net Expenses
General government	\$6,186,499	\$3,256,129	(\$2,930,370)
Public safety	21,028,077	2,084,756	(18,943,321)
Community services	996,475	271,119	(725,356)
Community development	3,963,110	1,420,336	(2,542,774)
Public Works:			
Streets	7,566,093	6,495,275	(1,070,818)
Parks and recreation	4,607,840	812,737	(3,795,103)
Maintenance of buildings/vehicles	1,500,865	2,240	(1,498,625)
Engineering & design	657,853	312,075	(345,778)
Interest expense & fiscal charges	920,120		(920,120)
Total	\$47,426,932	\$14,654,667	(\$32,772,265)

CITY OF COON RAPIDS, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS



Revenues by Source - Governmental Activities

Program revenues:		
Charges for services	\$6,312,025	13.6%
Operating grants & contributions	2,087,260	4.5%
Capital grants & contributions	6,255,382	13.5%
General revenues:		
Property taxes	25,466,060	54.9%
Tax increments	195,104	0.4%
Utilities tax	3,217,612	6.9%
Grants & contributions not restricted to a specific program	1,160,917	2.5%
Unrestricted investment earnings	595,755	1.3%
Gain on sale of capital assets	3,161	-
Other	1,133,391	2.4%
Total	<u>\$46,426,667</u>	<u>100.0%</u>

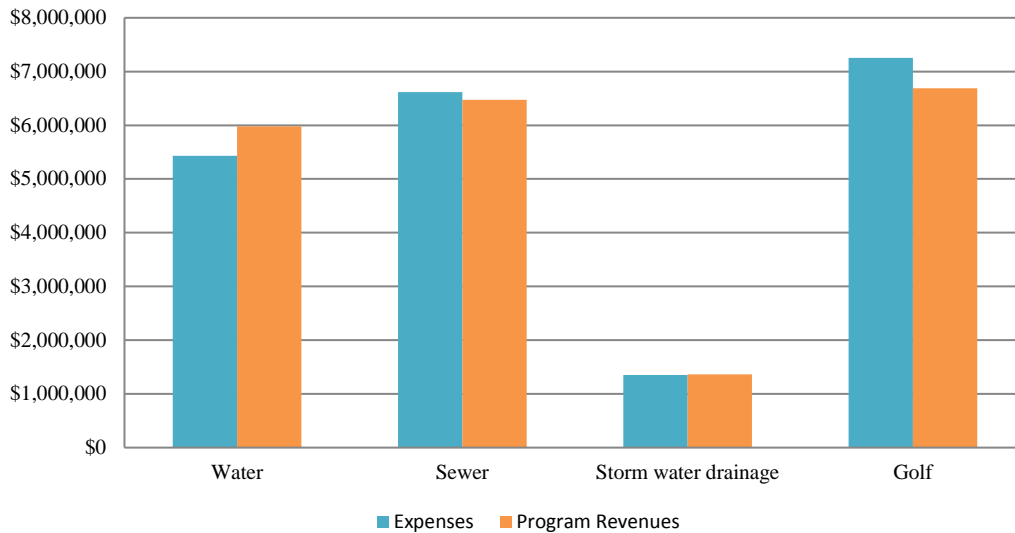
CITY OF COON RAPIDS, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type activities. Business-type activities saw a near break-even, decreasing net position by \$6,758. Key elements of this decrease are as follows:

- Program expenses increased 7.4 percent (\$1,427,699) primarily due to an increase in restaurant expenses for the Golf Fund (\$859,446) due to higher cost of goods sold related to increased food sales and increased disposal charges for sanitary sewer (\$444,834).
- Program revenues increased 11.8 percent (\$2,165,832). The increase in the Golf activity was primarily the result of the increased restaurant sales (\$1,391,898). The Water activity increase of \$490,044 was due to rate increases offset by a 1% decrease in water pumped.
- Unrestricted investment earnings decreased by \$187,414 primarily due to a decrease in the fair value of investments compared to the previous year.

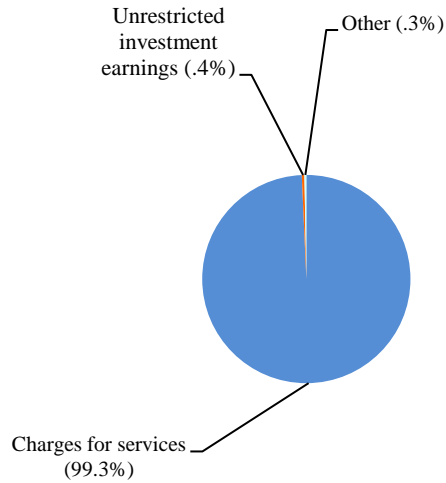
**Expenses & Program Revenues
Business-type Activities**



Expense and Program Revenues - Business-Type Activities	Expenses	Program Revenues	Net (Expenses) Revenues
Water	\$5,433,086	\$5,976,613	\$543,527
Sewer	6,615,202	6,471,113	(144,089)
Storm water drainage	1,352,985	1,365,611	12,626
Golf	7,251,832	6,689,204	(562,628)
Total	<u>\$20,653,105</u>	<u>\$20,502,541</u>	<u>(\$150,564)</u>

**CITY OF COON RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Revenues by Source - Business-type Activities



Revenues by Source - Business-Type Activities		
Program revenues:		
Charges for services	\$20,502,541	99.3%
General revenues:		
Unrestricted investment earnings	82,575	0.4%
Other	61,231	0.3%
Total	<u>\$20,646,347</u>	<u>100.0%</u>

CITY OF COON RAPIDS, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

Government Funds Financial Analysis

As noted earlier, the City of Coon Rapids uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Coon Rapids' governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Coon Rapids' financing requirements. In particular, the portion of fund balance not classified as nonspendable or restricted may serve as a useful measure of a government's net resources available for spending at the government's discretion at the end of the fiscal year.

As the end of the current fiscal year, the City of Coon Rapids' governmental funds reported combined ending fund balances of \$62.3 million, a decrease of \$2.2 million from the prior year. Approximately 69.1 percent (\$43.1 million) of this total amount is either committed (\$31,459,064), assigned (\$75,850) or unassigned (\$11,542,161) and is available for spending at the government's discretion. The remainder of the fund balance is nonspendable (\$715,076) since it is not in a spendable form or restricted (\$18,550,301) to indicate that it has already been obligated under externally imposed constraints.

The General Fund is the chief operating fund of the City of Coon Rapids. At the end of the current fiscal year, the unassigned fund balance available for working capital of the General Fund was \$13,566,004, while the total fund balance was \$14,373,659. The City adopted a policy requiring an unassigned fund balance of 45 percent of the next year's budgeted expenditures and transfers out. This percentage on December 31, 2016 was 45.3 percent.

The fund balance of the City of Coon Rapids' General Fund decreased by \$49,121 or 0.3 percent. Key factors of this decrease are as follows:

- Transfers out increased 71.9 percent (\$733,845) primarily due to the transfer to the Facility Construction Fund increasing from \$300,000 to \$1,040,000. Funds for this transfer, which are to be used for one-time project expenditures, are available due to unanticipated revenues and cost savings while maintaining an adequate fund balance in the General Fund.
- Revenues increased 4.0 percent (\$1,119,646) from the prior year with the most significant increases in property taxes (\$653,383), licenses and permits (\$247,034), intergovernmental (\$46,104) and miscellaneous (\$107,031) offset by decreases in investment income (\$126,570), utilities tax (\$26,683), and fines and forfeitures (\$23,456).
- Expenditures increased 3.6 percent (\$955,973) from the prior year with increases in public safety (\$487,239), community services (\$60,833), community development (\$162,825), and general government (\$270,414) offset by decreases in maintenance services (\$25,338) programs.

The fund balance in the Housing Programs Fund decreased 1.9 percent (\$123,335) primarily due to housing program loans and related expenditures of \$348,782 exceeding investment income (\$88,617) and mortgage payment revenue (\$136,830).

CITY OF COON RAPIDS, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

The fund balance in the Improvement Bonds Fund increased 12.4 percent (\$612,571) primarily due to general property taxes and special assessments exceeding principal and interest payments due.

The fund balance in the Special Assessment Fund decreased 29.8 percent (\$2,361,814) primarily due to special assessments revenue (\$417,089), investment income (\$108,092), intergovernmental revenue (\$2,411,653) and funds from bonding (\$5,296,701) being less than the construction costs (\$10,662,571). All funds from bonding were expended by year-end. In addition, fund balance decreased (\$3,454,571) due to the City recording a prior period adjustment related to the City receiving an advance on funds from the State of Minnesota Department of Transportation.

The fund balance in the Park Improvement Fund decreased (\$1,163,477) due to construction costs (\$3,520,686) exceeding bonds issued and transfers in totaling \$1,183,000.

The fund balance in the HRA Fund increased 7.3 percent (\$1,640,319) primarily due to a transfer in from the HRA Tax Increment Bonds of 2003B Fund (\$2,027,405) since all HRA bonds have been paid off.

All other governmental funds consisting of the 18 nonmajor funds had a 9.3 percent decrease (\$742,004) in fund balance primarily due to transfers to the HRA Fund (\$2,027,405) and the Park Improvement Fund (\$1,183,000) mentioned above.

Proprietary funds. The City of Coon Rapids' proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the water, sewer and storm sewer utilities as well as the golf activity at the end of the year amounted to \$9.5 million. There was a decrease in total net position for the four funds of \$33,165. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Coon Rapids' business-type activities.

General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended expenditure budget was a net increase of \$108,210 and can be summarized as follows:

- \$113,900 increase for items budgeted in 2015 but not purchased, carrying forward those funds to 2016 (\$84,800 was for capital outlay).
- \$75,850 decrease for amounts unspent in the 2016 budget carried forward to 2017 (\$60,000 was for capital outlay).
- \$70,160 in supplemental budget changes due to \$58,300 for a new assistant systems manager for the police department, and \$8,760 for various public safety equipment.

In addition to the above changes to the expenditure budget, there was a \$1,040,000 increase in budgeted transfers out to the Facilities Construction Fund and a \$35,993 increase in budgeted transfers out to the Compensated Absences Fund.

**CITY OF COON RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

General Fund revenues were under the final budget by \$17,769 or (0.1) percent primarily due to amounts under budget for property taxes (\$109,735), fines and forfeitures (\$33,501), investment income (\$120,606), intergovernmental revenue (\$26,653), utilities tax (\$85,525) offset by amounts over budget in licenses and permits (\$30,903), charges for services (\$237,321) and miscellaneous (\$90,027). General Fund expenditures were under the final budget by \$1,068,695 or 3.7% due to amounts under budget in personal services (\$577,799), supplies (\$227,463), motor fuels (\$120,584), capital outlay (\$173,163) and the net of all other items (\$45,536).

Capital Asset and Debt Administration

Capital assets. The City of Coon Rapids' net investment in capital assets for its governmental and business type activities as of December 31, 2016 amounts to \$272.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, other improvements, furniture, machinery and equipment, park facilities, streets and bridges.

Major capital asset events during 2016 include the following:

- Various city wide concrete curb, gutter, and bituminous replacements totaling \$11,743,869 were completed and capitalized during 2016.
- Capital equipment purchases totaling \$2,378,636 were completed and capitalized during 2016. Included in the capital equipment purchases is a jet truck (\$269,918), SCADA upgrades (\$310,972), Fire rescue truck (\$380,166), eight squad cars (\$308,070), park playground equipment (\$284,900) and the Civic Center remodel (\$284,900).
- Sanitary sewer lining replacement projects city wide totaling \$1,095,590 were completed and capitalized during 2016.
- Watermain and well rehabilitation improvements totaled \$5,818,525 were completed and capitalized in 2016.

CITY OF COON RAPIDS, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Coon Rapids' Capital Assets
(Net of depreciation)

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$57,676,445	\$57,676,445	\$1,976,177	\$1,976,177	\$59,652,622	\$59,652,622
Buildings and structures	22,388,941	22,901,273	30,266,877	30,762,450	52,655,818	53,663,723
Furniture, machinery & equipment	8,028,357	8,195,262	3,577,528	3,534,852	11,605,885	11,730,114
Other improvements	9,930,467	9,006,065	4,534,616	4,989,678	14,465,083	13,995,743
Infrastructure	44,616,974	36,685,680	70,406,461	64,813,591	115,023,435	101,499,271
Construction in progress	14,508,608	13,704,359	4,997,086	3,715,974	19,505,694	17,420,333
Total	<u>\$157,149,792</u>	<u>\$148,169,084</u>	<u>\$115,758,745</u>	<u>\$109,792,722</u>	<u>\$272,908,537</u>	<u>\$257,961,806</u>

Additional information on the City of Coon Rapids' capital assets can be found in section III.E. of the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, the City of Coon Rapids had total bonded debt outstanding of \$58.3 million. Of this amount, \$5.7 million comprises debt backed by the full faith and credit of the government, \$12.6 million is for lease revenue bonds which are paid from an appropriation approved by the City Council on an annual basis and \$18.3 million is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City of Coon Rapids' debt (\$21.8 million) represents bonds secured by specified revenue sources from the Water, Storm Water Drainage and Golf Funds (i.e. revenue bonds) with the full faith and credit of the City pledged as an additional guarantee.

City of Coon Rapids' Outstanding Bonded Debt

During the current fiscal year, the City of Coon Rapids' total bonded debt increased by \$5.4 million (10.2 percent). This increase was due to the issuance of Bonds of 2016A of \$9.5 million offset by principal payments on various bond issues in the amount of \$4.1 million.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
G.O. Bonds	\$5,715,000	\$5,295,000			\$5,715,000	\$5,295,000
Lease Revenue Bonds	12,560,000	12,985,000			12,560,000	12,985,000
G.O. Special Assessment Bonds	18,250,000	14,800,000			18,250,000	14,800,000
G.O. Water Revenue Bonds			\$16,630,000	\$14,450,000	16,630,000	14,450,000
G.O. Storm Water Drainage Bonds			760,000	\$835,000	760,000	835,000
G.O. Golf Revenue Bonds			4,410,000	\$4,535,000	4,410,000	4,535,000
	<u>\$36,525,000</u>	<u>\$33,080,000</u>	<u>\$21,800,000</u>	<u>\$19,820,000</u>	<u>\$58,325,000</u>	<u>\$52,900,000</u>

CITY OF COON RAPIDS, MINNESOTA MANAGEMENT’S DISCUSSION AND ANALYSIS

The City of Coon Rapids received an “Aa1” rating from Moody’s for general obligation debt in December 2016.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total taxable market value. The current debt limitation for the City of Coon Rapids is \$126,570,060 which is significantly in excess of the City of Coon Rapids’ outstanding general obligation debt.

Additional information on the City of Coon Rapids’ long-term debt can be found in section III.I. of the notes to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for the City of Coon Rapids in 2016 was 3.5 percent, down from 3.7 percent a year ago. This compares to the state average unemployment rate of 3.9 percent and the national average rate of 4.9 percent (www.deed.state.mn.us).
- Inflationary trends in the region compare favorably to national indices.
- Permits for construction valued at \$213,832,345 were issued in 2016 consisting of \$5,802,513 for new housing units, \$108,148,386 for commercial, institutional and industrial projects, and \$99,881,446 for other construction such as additions and upgrades.
- The median household income for Anoka County was \$70,873 as compared to the national household income of \$53,889 (www.factfinder2.census.gov).

All of these factors were considered in preparing the City of Coon Rapids’ budget for 2017 and will be for the 2018 fiscal year as well.

During the current fiscal year, the unassigned fund balance in the General Fund increased to \$13.6 million. The City of Coon Rapids will use this for working capital in the 2017 budget. It is intended that this use of available fund balance will avoid cash borrowings until real estate taxes are received in mid-year.

Based on utility rate studies completed in early 2017, sewer rates increased approximately five percent with other utilities remaining the same. Golf course rates for 2017 were left unchanged from 2016.

Requests for Information

This financial report is designed to provide a general overview of the City of Coon Rapids’ finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Coon Rapids, 11155 Robinson Drive, Coon Rapids, Minnesota 55433.

Reader's Notes:

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (including cash equivalents)	\$ 71,542,169	\$ 3,185,110	\$ 74,727,279
Investments		8,358,595	8,358,595
Taxes receivable	531,716		531,716
Accounts receivable	731,045	2,904,808	3,635,853
Accrued interest receivable	197,417	30,743	228,160
Special assessments receivable	9,870,152	751,420	10,621,572
Notes receivable	1,282,234		1,282,234
Mortgage receivable	1,663,671		1,663,671
Due from other governments	585,754	122,221	707,975
Internal balances	738,610	(738,610)	
Inventories	313,295	122,579	435,874
Property for resale	6,064,446		6,064,446
Prepaid items	181,397	29,577	210,974
Capital assets, net of accumulated depreciation			
Land	57,676,445	1,976,177	59,652,622
Buildings and structures	22,388,941	30,266,877	52,655,818
Furniture, machinery and equipment	8,028,357	3,577,528	11,605,885
Other improvements	9,930,467	4,534,616	14,465,083
Infrastructure	44,616,974	70,406,461	115,023,435
Construction in progress	14,508,608	4,997,086	19,505,694
Total Assets	250,851,698	130,525,188	381,376,886
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan deferments - PERA	30,276,785	995,728	31,272,513
Total Assets and Deferred Outflows of Resources	\$ 281,128,483	\$ 131,520,916	\$ 412,649,399
LIABILITIES			
Accounts payable	\$ 765,345	\$ 208,102	\$ 973,447
Salaries payable	927,105	80,715	1,007,820
Contracts payable	1,628,077	57,994	1,686,071
Accrued interest payable	422,947	213,526	636,473
Due to other governments	952,766	2,415,857	3,368,623
Revenue collected in advance	378,766		378,766
Deposits payable	36,785	165,236	202,021
Noncurrent Liabilities:			
Due within one year	3,731,802	2,156,669	5,888,471
Due in more than one year	86,866,479	23,000,414	109,866,893
Total Liabilities	95,710,072	28,298,513	124,008,585
DEFERRED INFLOWS OF RESOURCES			
Pension plan deferments - PERA	5,390,921	271,162	5,662,083
Grants for subsequent years - MSA	3,998,047		3,998,047
Total Deferred Inflows of Resources	9,388,968	271,162	9,660,130
NET POSITION			
Net investment in capital assets	119,831,514	93,448,156	213,279,670
Restricted for:			
Contract grants	25,995		25,995
Drug forfeitures	180,722		180,722
Debt service	10,981,111		10,981,111
Tax increment financing	13,235,697		13,235,697
Unrestricted	31,774,404	9,503,085	41,277,489
Total Net Position	176,029,443	102,951,241	278,980,684
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 281,128,483	\$ 131,520,916	\$ 412,649,399

The notes to the financial statements are an integral part of this statement.

CITY OF COON RAPIDS, MINNESOTA

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 6,186,499	\$ 2,970,023	\$ 286,106		\$ (2,930,370)		\$ (2,930,370)
Public safety	21,028,077	940,610	1,119,772	\$ 24,374	(18,943,321)		(18,943,321)
Community services	996,475	257,675	13,444		(725,356)		(725,356)
Community development	3,963,110	1,130,611	289,725		(2,542,774)		(2,542,774)
Public works:							
Streets	7,566,093	10,449	378,213	6,106,613	(1,070,818)		(1,070,818)
Parks and recreation	4,607,840	688,342		124,395	(3,795,103)		(3,795,103)
Maintenance of buildings/vehicles	1,500,865	2,240			(1,498,625)		(1,498,625)
Engineering and design	657,853	312,075			(345,778)		(345,778)
Interest expense and fiscal charges on long-term debt	920,120				(920,120)		(920,120)
Total governmental activities	47,426,932	6,312,025	2,087,260	6,255,382	(32,772,265)		(32,772,265)
Business-type activities:							
Water	5,433,086	5,976,613				\$ 543,527	543,527
Sewer	6,615,202	6,471,113				(144,089)	(144,089)
Storm water drainage	1,352,985	1,365,611				12,626	12,626
Golf	7,251,832	6,689,204				(562,628)	(562,628)
Total business-type activities	20,653,105	20,502,541				(150,564)	(150,564)
Total primary government	\$ 68,080,037	\$ 26,814,566	\$ 2,087,260	\$ 6,255,382	(32,772,265)	(150,564)	(32,922,829)
General Revenues:							
Property taxes collected for general purposes					19,078,993		19,078,993
Property taxes collected for debt services					3,508,783		3,508,783
Property taxes collected for capital improvements					2,878,284		2,878,284
Tax increments					195,104		195,104
Utilities Tax					3,217,612		3,217,612
Grants and contributions not restricted to specific programs					1,160,917		1,160,917
Unrestricted investment earnings					595,755	82,575	678,330
Gain on sale of capital assets					3,161		3,161
Miscellaneous					1,133,391	61,231	1,194,622
Total general revenues					31,772,000	143,806	31,915,806
Change in net position					(1,000,265)	(6,758)	(1,007,023)
Net position at Beginning of Year, As Previously Stated					180,484,279	102,957,999	283,442,278
Prior Period Adjustment					(3,454,571)		(3,454,571)
Net position at Beginning of Year, Restated					177,029,708	102,957,999	279,987,707
Net position at End of Year					\$ 176,029,443	\$ 102,951,241	\$ 278,980,684

The notes to the financial statement are an integral part of this statement.

Reader's Notes:

GOVERNMENTAL FUNDS

General Fund - The General fund encompasses the general governmental functions of the City and all other functions not accounted for in other separate funds.

Housing Programs Fund - Established to account for housing improvement loan programs which are available to qualifying citizens and a scattered site housing program for the removal of residential structures in blighted areas.

Improvement Bonds Fund - Established to account for the payment of bonds and interest for special assessment projects bonded for with G.O. Improvement Bonds.

Special Assessment Fund - Established to account for the construction of public improvements, such as streets, sewer mains and storm sewers which are to be paid for wholly or in part from special assessments levied against benefitted property owners.

Park Improvement Fund - Established to administer bond proceeds, federal and state grants, park dedication fees and other revenues which are dedicated to acquisition and to improvement of City parks.

Housing and Redevelopment Authority Fund - Established to account for tax increment financing and economic development activities in the City.

Other Governmental Funds - Total of the nonmajor funds. Individual statements and schedules are included in the Combining and Individual Statements and Schedules section.

CITY OF COON RAPIDS, MINNESOTA

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Major Funds			
	General Fund	Housing Programs Fund	Improvement Bonds Fund	Special Assessment Fund
ASSETS				
Cash and investments (including cash equivalents)	\$ 14,673,496	\$ 6,430,833	\$ 5,528,282	\$ 9,751,902
Taxes receivable	437,374		14,699	
Accounts receivable	421,008			4,209
Accrued interest receivable	42,603	17,172	14,744	31,925
Special assessments receivable			6,915,008	2,955,144
Notes receivable				
Mortgage receivable		1,663,671		
Due from other governments	201,395		1,616	44,039
Advance to other funds	234,592			1,577,398
Inventories	313,295			
Property for resale		59,900		
Prepaid items	157,923			
Total Assets	<u>\$ 16,481,686</u>	<u>\$ 8,171,576</u>	<u>\$ 12,474,349</u>	<u>\$ 14,364,617</u>
LIABILITIES				
Accounts payable	\$ 466,041			\$ 26,273
Salaries payable	869,879			
Contracts payable				1,020,535
Deposits payable				
Due to other governments	106,668			820,556
Revenue collected in advance	377,251			
Advance from other funds				
Total Liabilities	<u>1,819,839</u>			<u>1,867,364</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	288,188		\$ 5,773	
Unavailable revenue - special assessments			6,895,997	2,948,032
Unavailable revenue - other		\$ 1,663,671		
Grants for subsequent years - MSA				3,998,047
Total Deferred Inflows of Resources	<u>288,188</u>	<u>1,663,671</u>	<u>6,901,770</u>	<u>6,946,079</u>
FUND BALANCES				
Nonspendable	705,810			
Restricted	25,995		3,846,505	
Committed		6,507,905	1,726,074	5,551,174
Assigned	75,850			
Unassigned	13,566,004			
Total Fund Balances	<u>14,373,659</u>	<u>6,507,905</u>	<u>5,572,579</u>	<u>5,551,174</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,481,686</u>	<u>\$ 8,171,576</u>	<u>\$ 12,474,349</u>	<u>\$ 14,364,617</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT B-1

		Totals		
Park Improvement Fund	HRA Fund	Other Governmental Funds	2016	2015
	\$ 18,115,711	\$ 7,398,056	\$ 61,898,280	\$ 61,617,722
\$ 8,207	15,694	55,742	531,716	511,698
	14,715	291,113	731,045	804,260
	48,348	16,938	171,730	156,224
			9,870,152	8,393,921
	1,179,319	102,915	1,282,234	1,423,353
			1,663,671	1,543,778
67,672		271,032	585,754	429,860
		1,336,466	3,148,456	2,920,094
			313,295	210,962
	6,004,546		6,064,446	6,151,486
	3,145	6,121	167,189	149,558
<u>\$ 75,879</u>	<u>\$ 25,381,478</u>	<u>\$ 9,478,383</u>	<u>\$ 86,427,968</u>	<u>\$ 84,312,916</u>
\$ 8,135	\$ 1,705	\$ 129,219	\$ 631,373	\$ 564,039
61	7,232	49,933	927,105	761,038
586,113		21,429	1,628,077	816,302
	36,785		36,785	
	6,502	19,040	952,766	61,517
		1,515	378,766	352,012
510,627		1,899,219	2,409,846	2,106,174
<u>1,104,936</u>	<u>52,224</u>	<u>2,120,355</u>	<u>6,964,718</u>	<u>4,661,082</u>
5,390	10,073	23,393	332,817	322,610
			9,844,029	8,378,209
	1,179,319	102,915	2,945,905	2,967,131
			3,998,047	
<u>5,390</u>	<u>1,189,392</u>	<u>126,308</u>	<u>17,120,798</u>	<u>11,667,950</u>
	3,145	6,121	715,076	493,923
	13,235,697	1,442,104	18,550,301	19,209,221
	10,901,020	6,772,891	31,459,064	35,788,616
			75,850	118,300
(1,034,447)		(989,396)	11,542,161	12,373,824
<u>(1,034,447)</u>	<u>24,139,862</u>	<u>7,231,720</u>	<u>62,342,452</u>	<u>67,983,884</u>
<u>\$ 75,879</u>	<u>\$ 25,381,478</u>	<u>\$ 9,478,383</u>	<u>\$ 86,427,968</u>	<u>\$ 84,312,916</u>

Reader's Notes:

CITY OF COON RAPIDS, MINNESOTA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016**

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balances (Exhibit B-1)	\$ 62,342,452
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 234,059,270	
Less: accumulated depreciation	(76,909,478)	
		157,149,792

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Delinquent property taxes	\$ 332,817	
Deferred, delinquent, and postponed special assessments	9,844,029	
Notes and mortgages receivable	2,945,905	
		13,122,751

Internal service funds are used by management to charge the costs of insurance to individual funds, for other post employment benefits, and for compensated absences for the governmental funds. The assets and liabilities of the internal service funds which are related to the governmental activities are included in governmental activities in the statement of net position.

2,732,323

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable (net of unamortized discount/premium of \$793,278)	\$ (37,318,278)	
Net pension payable	(46,462,514)	
Accrued interest payable	(422,947)	
		(84,203,739)

The recognition of certain revenues and expenses differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.

Deferred outflow of resources, PERA pension plans	\$ 30,276,785	
Deferred inflow of resources, PERA pension plans	(5,390,921)	
		24,885,864

Net position of governmental activities (Exhibit A-1)	\$ <u>176,029,443</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF COON RAPIDS, MINNESOTA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

YEAR ENDED DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

	Major Funds			
	General Fund	Housing Programs Fund	Improvement Bonds Fund	Special Assessment Fund
Revenues:				
General property taxes	\$ 19,067,945		\$ 1,147,658	
Tax increments				
Special assessments			1,821,375	\$ 417,089
Licenses and permits	1,718,043			
Fines and forfeitures	286,999			
Investment income (charges)	100,394	\$ 88,617	30,731	108,092
Intergovernmental	2,233,951			2,411,653
Payments on notes				
Charges for services	2,157,161			
Platting fees				
Other	3,857,539	136,830		2,493
Total Revenues	29,422,032	225,447	2,999,764	2,939,327
Expenditures:				
Current:				
General government	3,851,857	348,782		
Public safety	14,554,892			
Community services	572,028			
Community development	1,951,224			
Maintenance services	6,849,328			
Capital outlay and improvements				10,662,571
Debt service:				
Principal retirement			1,500,000	
Interest and fiscal charges			380,076	
Other			16,906	
Total Expenditures	27,779,329	348,782	1,896,982	10,662,571
Excess (Deficiency) of Revenues over Expenditures	1,642,703	(123,335)	1,102,782	(7,723,244)
Other Financing Sources (Uses):				
Bond issuance				4,950,000
Premiums on bonds issued				346,701
Sale of capital assets				
Transfers in	62,169			490,211
Transfers out	(1,753,993)		(490,211)	(425,482)
Total Other Financing Sources (Uses)	(1,691,824)		(490,211)	5,361,430
Net Change in Fund Balances	(49,121)	(123,335)	612,571	(2,361,814)
Fund Balance at Beginning of Year, As Previously Stated	14,422,780	6,631,240	4,960,008	11,367,559
Prior Period Adjustment				(3,454,571)
Fund Balance at Beginning of Year, Restated	14,422,780	6,631,240	4,960,008	7,912,988
Fund Balance (deficit) at End of Year	\$ 14,373,659	\$ 6,507,905	\$ 5,572,579	\$ 5,551,174

The notes to the financial statements are an integral part of this statement.

EXHIBIT B-3

Park Improvement Fund	HRA Fund	Other Governmental Funds	Total Governmental Funds	
			2016	2015
\$ 361,098	\$ 720,987 195,104	\$ 4,158,165	\$ 25,455,853 195,104 2,238,464 1,718,043 286,999	\$ 24,785,417 190,799 2,210,103 1,471,009 310,455
(2,877)	160,243 8 60,429	70,940 517,049	556,140 5,162,661 60,429	1,199,488 6,126,483 150,749
40,700		3,000	2,160,161 40,700	1,916,778 233,660
	72,560	2,563,275	6,632,697	6,543,441
398,921	1,209,331	7,312,429	44,507,251	45,138,382
		1,406,303 67,270 151,861 236,660 357,127	5,606,942 14,622,162 723,889 2,187,884 7,206,455	6,128,287 14,357,554 657,273 2,074,414 7,250,853
3,520,686	1,598,007	2,626,033	18,407,297	17,797,550
		740,000 692,761	2,240,000 1,072,837	2,965,000 829,938
			16,906	22,411
3,520,686	1,598,007	6,278,015	52,084,372	52,083,280
(3,121,765)	(388,676)	1,034,414	(7,577,121)	(6,944,898)
735,000 40,288			5,685,000 386,989	8,400,000 359,065
1,183,000	2,028,995	1,650,952 (3,427,370)	5,415,327 (6,097,056)	1,054,000 7,200,586 (7,915,435)
1,958,288	2,028,995	(1,776,418)	5,390,260	9,098,216
(1,163,477)	1,640,319	(742,004)	(2,186,861)	2,153,318
129,030	22,499,543	7,973,724	67,983,884	65,830,566
			(3,454,571)	
129,030	22,499,543	7,973,724	64,529,313	65,830,566
\$ (1,034,447)	\$ 24,139,862	\$ 7,231,720	\$ 62,342,452	\$ 67,983,884

CITY OF COON RAPIDS, MINNESOTA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (Exhibit B-3) \$ (2,186,861)

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 18,407,297	
Capital outlay not capitalized	(4,061,432)	
	14,345,865	
Current year depreciation	(5,343,263)	9,002,602

The effect of various miscellaneous transactions involving capital assets (e.g., sales, trade-ins, and retirements) is to decrease net position. (21,894)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued	\$ (5,685,000)	
Premium on debt issued	(386,989)	
Principal repayments	2,240,000	
Net pension liability	(29,282,747)	
Current year amortization of discounts/premiums	57,210	(33,057,526)

The recognition of certain revenues and expenses differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.

Deferred outflow of resources, PERA pension plans	\$ 26,818,314	
Deferred inflow of resources, PERA pension plans	(2,951,764)	23,866,550

Revenues and expenditures in the statement of activities that do not provide current financial resources are not reported as revenues and expenditures in the governmental funds. The effect on the change in net position is the change in the year-end balances of deferred outflows and deferred inflows of resources.

Deferred inflows of resources, property taxes	\$ 10,207	
Deferred inflows of resources, special assessments	1,465,820	
Deferred inflows of resources, other	(21,226)	1,454,801

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in accrued interest payable. 75,583

The net expense of certain activities in the internal service funds is related to governmental activities and is reported in the government-wide statement of activities. (133,520)

Changes in net position of governmental activities (Exhibit A-2) \$ (1,000,265)

The notes to the financial statements are an integral part of this statement.

CITY OF COON RAPIDS, MINNESOTA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2015 Actual
	Original	Final			
REVENUES:					
General Property Taxes	\$ 19,177,680	\$ 19,177,680	\$ 19,067,945	\$ (109,735)	\$ 18,414,562
Licenses and Permits:					
Business regulatory licenses	649,440	649,440	607,786	(41,654)	602,557
Non-business licenses and permits	1,037,700	1,037,700	1,110,257	72,557	868,452
Total	1,687,140	1,687,140	1,718,043	30,903	1,471,009
Fines and Forfeitures	320,500	320,500	286,999	(33,501)	310,455
Investment Income	221,000	221,000	100,394	(120,606)	226,964
Intergovernmental:					
Local government aid	1,118,313	1,118,313	1,118,304	(9)	1,074,756
Property tax aid			276	276	275
Highway maintenance	122,745	122,745	122,745		122,745
Police department aid	652,700	510,700	530,360	19,660	514,812
Other	363,746	508,846	462,266	(46,580)	475,259
Total	2,257,504	2,260,604	2,233,951	(26,653)	2,187,847
Charges for Services:					
General government	15,000	15,000	20,851	5,851	24,595
Public safety	336,740	336,740	524,915	188,175	355,407
Recreation	75,000	75,000	78,669	3,669	79,010
Engineering and Public Works			23,670	23,670	
Administration and special assessment	56,000	56,000	93,271	37,271	92,646
Other administration	920,200	920,200	829,876	(90,324)	785,791
Ice arena	516,900	516,900	585,909	69,009	576,909
Total	1,919,840	1,919,840	2,157,161	237,321	1,914,358
Other:					
Utilities tax	3,303,137	3,303,137	3,217,612	(85,525)	3,244,295
Miscellaneous	487,400	549,900	639,927	90,027	532,896
Total	3,790,537	3,853,037	3,857,539	4,502	3,777,191
Total Revenues	\$ 29,374,201	\$ 29,439,801	\$ 29,422,032	\$ (17,769)	\$ 28,302,386

(Continued)

CITY OF COON RAPIDS, MINNESOTA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	2015 Actual
	Original	Final			
EXPENDITURES:					
Current:					
General Government					
Legislative Control:					
Personal services	\$ 133,560	\$ 133,560	\$ 126,096	\$ 7,464	\$ 102,103
Other charges	126,528	104,528	101,864	2,664	88,565
Supplies	1,100	1,100	899	201	954
Total	261,188	239,188	228,859	10,329	191,622
Board and Commissions:					
Personal services	35,460	27,960	27,293	667	17,075
Other charges	9,325	9,325	7,912	1,413	2,764
Supplies	900	900	608	292	859
Total	45,685	38,185	35,813	2,372	20,698
Legal Services General:					
Personal services	274,817	280,817	280,090	727	270,817
Other charges	12,730	12,730	13,199	(469)	11,699
Supplies	7,650	7,650	6,304	1,346	6,460
Total	295,197	301,197	299,593	1,604	288,976
Elections and Voter Registration:					
Personal services	116,276	120,076	119,992	84	22,803
Other charges	18,463	18,663	18,606	57	13,606
Supplies	200	900	841	59	
Total	134,939	139,639	139,439	200	36,409
Maintenance of Official Records:					
Personal services	25,629	34,929	34,540	389	39,125
Other charges	15,541	18,341	18,287	54	12,247
Supplies	650	850	835	15	339
Total	41,820	54,120	53,662	458	51,711
Information:					
Personal services	152,886	154,686	154,640	46	141,365
Other charges	50,050	47,850	37,859	9,991	47,150
Supplies	1,200	500	506	(6)	159
Total	204,136	203,036	193,005	10,031	188,674
Management:					
Personal services	323,628	303,528	303,511	17	305,448
Other charges	44,311	44,311	26,279	18,032	47,847
Supplies	2,000	1,700	1,133	567	889
Total	369,939	349,539	330,923	18,616	354,184
Licensing:					
Personal services	40,126	43,926	43,846	80	33,409
Other charges	4,658	4,658	3,550	1,108	2,546
Supplies	1,500	1,500	1,002	498	342
Total	\$ 46,284	\$ 50,084	\$ 48,398	\$ 1,686	\$ 36,297

(Continued)

CITY OF COON RAPIDS, MINNESOTA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016					
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2015 Actual	
	Original	Final	Actual Amounts			
Current (Continued)						
General Government (Continued)						
Human Resources:						
Personal services	\$ 207,437	\$ 207,437	\$ 202,796	\$ 4,641	\$ 166,557	
Other charges	152,670	87,370	83,242	4,128	88,650	
Supplies	1,900	5,000	4,908	92	1,432	
Capital outlay	2,500	2,500		2,500		
Total	364,507	302,307	290,946	11,361	256,639	
Fiscal Planning, Control, and Accounting:						
Personal services	734,593	719,093	714,119	4,974	681,074	
Other charges	128,258	127,458	124,641	2,817	114,309	
Supplies	1,350	2,150	1,846	304	1,170	
Total	864,201	848,701	840,606	8,095	796,553	
Information Technology:						
Personal services	463,548	473,248	473,240	8	449,884	
Other charges	146,329	134,329	122,651	11,678	110,384	
Supplies	7,650	7,650	5,873	1,777	7,643	
Capital outlay	137,350	135,950	76,899	59,051	97,656	
Total	754,877	751,177	678,663	72,514	665,567	
General Revenue Collections:						
Personal services	58,631	62,131	61,610	521	62,669	
Other charges	38,344	38,344	17,006	21,338	18,449	
Supplies	700	800	243	557	1,330	
Total	97,675	101,275	78,859	22,416	82,448	
Property Appraisal:						
Personal services	431,583	431,383	361,032	70,351	376,077	
Other charges	15,224	19,574	19,172	402	10,238	
Supplies	3,870	3,770	2,317	1,453	1,709	
Total	450,677	454,727	382,521	72,206	388,024	
Purchasing:						
Personal services	67,475	70,475	70,432	43	42,667	
Other charges	30,560	30,560	23,745	6,815	26,541	
Supplies	12,500	12,100	11,465	635	13,568	
Capital outlay		15,243	8,034	7,209	3,460	
Total	110,535	128,378	113,676	14,702	86,236	
Payroll:						
Personal services	83,489	83,489	79,690	3,799	84,113	
Other charges	57,259	57,259	56,266	993	52,780	
Supplies	570	970	938	32	512	
Total	141,318	141,718	136,894	4,824	137,405	
Total General Government	\$ 4,182,978	\$ 4,103,271	\$ 3,851,857	\$ 251,414	\$ 3,581,443	

(Continued)

CITY OF COON RAPIDS, MINNESOTA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016					2015 Actual
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Current (Continued)						
Public Safety						
Court Case/Preparation and Appearance:						
Personal services	\$ 542,009	\$ 537,609	\$ 461,468	\$ 76,141	\$ 442,512	
Other charges	12,669	12,669	9,412	3,257	10,087	
Supplies	8,150	7,850	7,024	826	6,501	
Total	562,828	558,128	477,904	80,224	459,100	
Investigation/Non-Traffic:						
Personal services	1,517,462	1,103,662	1,103,598	64	1,037,447	
Other charges	58,760	58,760	38,917	19,843	39,346	
Supplies	8,700	8,700	7,329	1,371	6,968	
Total	1,584,922	1,171,122	1,149,844	21,278	1,083,761	
Preventative Patrol:						
Personal services	5,994,125	6,549,525	6,548,879	646	6,279,846	
Other charges	350,500	348,600	333,445	15,155	304,866	
Supplies	242,800	249,000	195,809	53,191	222,056	
Capital outlay					19,154	
Total	6,587,425	7,147,125	7,078,133	68,992	6,825,922	
Accident Reduction Program:						
Personal services	119,555	87,855	87,263	592	52,541	
Other charges	20	720	716	4	383	
Total	119,575	88,575	87,979	596	52,924	
Animal Control:						
Personal services	49,111	72,611	72,489	122	79,397	
Other charges	13,530	12,930	5,017	7,913	8,113	
Supplies	500	600	569	31	30	
Total	63,141	86,141	78,075	8,066	87,540	
School Liaison Program/Community Education						
Personal services	758,107	856,207	856,159	48	818,800	
Other charges	11,872	13,072	12,995	77	9,326	
Supplies	3,700	3,700	3,700		3,908	
Total	773,679	872,979	872,854	125	832,034	
Drug Enforcement & Education:						
Personal services	373,697	339,297	339,208	89	288,158	
Other charges	11,954	12,554	12,505	49	11,396	
Supplies	5,500	6,100	6,038	62	4,422	
Total	391,151	357,951	357,751	200	303,976	
Emergency Operation Planning:						
Personal services	54,714	14,214	14,075	139	14,483	
Other charges	15,259	15,259	13,067	2,192	12,505	
Supplies	100	100		100		
Total	\$ 70,073	\$ 29,573	\$ 27,142	\$ 2,431	\$ 26,988	

(Continued)

CITY OF COON RAPIDS, MINNESOTA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016					
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2015 Actual	
	Original	Final	Actual Amounts			
Current (Continued)						
Public Safety (Continued)						
Fire Prevention:						
Personal services	\$ 324,997	\$ 324,997	\$ 322,138	\$ 2,859	\$ 316,963	
Other charges	105,639	102,039	85,553	16,486	71,922	
Supplies	19,400	19,000	16,454	2,546	18,167	
Capital outlay	11,500	15,400	15,370	30	22,811	
Total	461,536	461,436	439,515	21,921	429,863	
Fire Training:						
Personal services	377,303	396,503	387,448	9,055	342,567	
Other charges	22,628	29,328	29,238	90	17,299	
Supplies	1,200	1,200	947	253	19,133	
Total	401,131	427,031	417,633	9,398	378,999	
Fire Suppression:						
Personal services	2,720,425	2,700,725	2,657,243	43,482	2,735,633	
Other charges	133,034	133,034	130,822	2,212	157,162	
Supplies	130,045	130,045	108,609	21,436	113,785	
Capital outlay					8,534	
Total	2,983,504	2,963,804	2,896,674	67,130	3,015,114	
Rescue and First Aid:						
Personal services	576,716	576,716	566,613	10,103	484,162	
Other charges	22,187	21,887	16,198	5,689	19,704	
Supplies	26,995	27,095	25,975	1,120	27,885	
Capital outlay	20,841	22,801	22,750	51	1,800	
Total	646,739	648,499	631,536	16,963	533,551	
Fire Investigation:						
Personal services	34,074	14,874	9,305	5,569	8,636	
Other charges	3,417	3,417	3,319	98	1,983	
Supplies	1,800	1,900	1,830	70	3,721	
Total	39,291	20,191	14,454	5,737	14,340	
Employee Safety:						
Personal services	18,512	19,312	19,229	83	16,987	
Other charges	2,819	2,819	1,712	1,107	1,647	
Supplies	800	800	269	531	258	
Capital outlay	4,188	4,188	4,188		4,649	
Total	26,319	27,119	25,398	1,721	23,541	
Total Public Safety	14,711,314	14,859,674	14,554,892	304,782	14,067,653	
Community Services						
Riverwind Recreational Center:						
Personal services	29,848	29,848	18,922	10,926	16,428	
Other charges	9,872	10,172	10,141	31	9,754	
Supplies	2,770	3,770	3,716	54	3,814	
Total	42,490	43,790	32,779	11,011	29,996	
Community School/Summer Recreation:						
Other charges	\$ 96,862	\$ 96,962	\$ 96,897	\$ 65	\$ 94,046	

(Continued)

CITY OF COON RAPIDS, MINNESOTA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016					
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2015 Actual	
	Original	Final	Actual Amounts			
Current (Continued)						
Community Services (Continued)						
Facilities Rental:						
Personal services	\$ 77,215	\$ 77,215	\$ 60,828	\$ 16,387	\$ 55,138	
Other charges	24,441	33,441	33,428	13	24,999	
Supplies	7,300	7,400	3,906	3,494	2,738	
Total	108,956	118,056	98,162	19,894	82,875	
Contract Grants:						
Personal services	20,750	27,550	27,512	38	19,312	
Other charges	73,316	89,916	89,911	5	64,885	
Supplies					4,992	
Total	94,066	117,466	117,423	43	89,189	
Senior Citizen Services:						
Personal services	193,119	193,119	192,964	155	184,541	
Other charges	26,795	22,895	22,778	117	21,629	
Supplies	12,274	12,274	6,735	5,539	8,919	
	4,574	4,574	4,290	284		
Total	236,762	232,862	226,767	6,095	215,089	
Total Community Services	579,136	609,136	572,028	37,108	511,195	
Community Development						
Planning:						
Personal services	392,147	392,147	381,919	10,228	378,845	
Other charges	62,400	62,300	51,550	10,750	58,364	
Supplies	1,600	1,800	1,493	307	2,065	
Total	456,147	456,247	434,962	21,285	439,274	
Neighborhood Reinvestment:						
Personal services	495,315	501,915	496,879	5,036	437,472	
Other charges	56,628	56,628	51,383	5,245	42,821	
Supplies	7,350	7,350	4,441	2,909	9,146	
Total	559,293	565,893	552,703	13,190	489,439	
Building Inspection:						
Personal services	904,637	898,037	863,263	34,774	779,337	
Other charges	83,409	83,409	82,446	963	62,123	
Supplies	13,300	11,500	9,734	1,766	18,226	
Capital outlay	6,407	8,207	8,116	91		
Total	1,007,753	1,001,153	963,559	37,594	859,686	
Total Community Development	\$ 2,023,193	\$ 2,023,293	\$ 1,951,224	\$ 72,069	\$ 1,788,399	

(Continued)

CITY OF COON RAPIDS, MINNESOTA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016					2015 Actual
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)		
	Original	Final				
Current (Continued)						
Maintenance Services						
Snow Removal:						
Personal services	\$ 263,722	\$ 184,322	\$ 77,110	\$ 107,212	\$ 76,365	
Other charges	12,800	11,200	11,183	17	11,940	
Supplies	211,700	182,200	98,737	83,463	216,863	
Total	488,222	377,722	187,030	190,692	305,168	
Street Maintenance:						
Personal services	715,123	723,923	723,885	38	699,111	
Other charges	135,692	129,092	129,035	57	137,037	
Supplies	121,200	80,800	73,095	7,705	101,139	
Capital outlay	6,228	5,828	1,855	3,973	25,935	
Total	978,243	939,643	927,870	11,773	963,222	
Streetlight/Traffic Signal Maintenance:						
Personal services	16,787	16,787	10,930	5,857	6,498	
Other charges	606,082	632,982	632,910	72	623,412	
Supplies		15,400		15,400		
Capital outlay	25,000					
Total	647,869	665,169	643,840	21,329	629,910	
Central Garage/Vehicle Maintenance:						
Personal services	604,031	604,031	556,426	47,605	565,071	
Other charges	48,275	49,175	49,145	30	47,121	
Supplies	36,500	50,500	50,482	18	42,836	
Capital outlay	5,867	5,867	356	5,511	15,965	
Fuel and parts			(6,416)	6,416	2,025	
Total	694,673	709,573	649,993	59,580	673,018	
Public Building Maintenance:						
Personal services	176,449	176,449	148,524	27,925	144,979	
Other charges	393,518	376,618	376,519	99	402,823	
Supplies	25,800	31,600	31,577	23	34,147	
Capital outlay		5,379	2,521	2,858	2,401	
Total	595,767	590,046	559,141	30,905	584,350	
Geographic Information Systems:						
Personal services	175,626	180,626	180,531	95	161,697	
Other charges	69,642	61,142	63,469	(2,327)	42,486	
Supplies	2,650	2,650	2,132	518	1,385	
Capital outlay	15,000	8,800	8,573	227	15,282	
Total	262,918	253,218	254,705	(1,487)	220,850	
Engineering Maintenance Services:						
Personal services	280,224	315,324	315,269	55	266,812	
Other charges	29,155	29,555	29,503	52	32,525	
Supplies	7,900	6,900	6,294	606	10,361	
Total	317,279	351,779	351,066	713	309,698	
Parks and Grounds Maintenance:						
Personal services	1,353,060	1,326,960	1,303,542	23,418	1,272,563	
Other charges	365,597	434,297	434,215	82	396,703	
Supplies	234,600	278,000	277,940	60	255,531	
Total	\$ 1,953,257	\$ 2,039,257	\$ 2,015,697	\$ 23,560	\$ 1,924,797	

(Continued)

CITY OF COON RAPIDS, MINNESOTA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016					
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	2015 Actual	
	Original	Final	Actual Amounts			
Current (Continued)						
Maintenance Services (Continued)						
Sidewalk Maintenance:						
Personal services	\$ 22,797	\$ 22,797	\$ 19,950	\$ 2,847	\$ 23,524	
Other charges	16,918	818	717	101	11,528	
Supplies	17,900	10,100	9,563	537	22,788	
Total	57,615	33,715	30,230	3,485	57,840	
Adult Softball Program:						
Personal services	22,877	22,877	18,115	4,762	16,661	
Other charges	28,262	31,762	31,705	57	27,670	
Supplies	3,920	3,820	2,765	1,055	2,685	
Total	55,059	58,459	52,585	5,874	47,016	
Indoor Skating:						
Personal services	349,908	386,208	386,133	75	354,637	
Other charges	286,433	291,933	291,927	6	305,619	
Supplies	16,800	18,100	17,276	824	17,132	
Merchandise for resale	62,000	62,000	50,215	11,785	57,590	
Capital outlay		8,078		8,078	9,971	
Total	715,141	766,319	745,551	20,768	744,949	
Outdoor Skating:						
Personal services	146,426	79,026	45,740	33,286	61,652	
Other charges	10,419	4,019	3,951	68	5,147	
Supplies	4,800	4,800	2,522	2,278	4,834	
Total	161,645	87,845	52,213	35,632	71,633	
Tree Maintenance:						
Personal services	95,272	103,572	103,484	88	110,556	
Other charges	175,833	245,833	245,800	33	194,642	
Supplies	44,400	30,500	30,123	377	37,017	
Total	315,505	379,905	379,407	498	342,215	
Total Maintenance Services	7,243,193	7,252,650	6,849,328	403,322	6,874,666	
Total Expenditures	28,739,814	28,848,024	27,779,329	1,068,695	26,823,356	
Excess of Revenues over Expenditures	634,387	591,777	1,642,703	1,050,926	1,479,030	
Other Financing Sources (Uses):						
Transfers in	47,000	62,169	62,169		56,677	
Transfers out	(678,000)	(1,753,993)	(1,753,993)		(1,020,148)	
Total Other Financing Sources (Uses)	(631,000)	(1,691,824)	(1,691,824)		(963,471)	
Net Change in Fund Balance	\$ 3,387	\$ (1,100,047)	(49,121)	\$ 1,050,926	515,559	
Fund Balance at Beginning of Year			14,422,780		13,907,221	
Fund Balance at End of Year			\$ 14,373,659		\$ 14,422,780	

The notes to the financial statements are an integral part of this statement.

CITY OF COON RAPIDS, MINNESOTA

HOUSING PROGRAMS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues:					
Investment income	\$ 146,000	\$ 146,000	\$ 88,617	\$ (57,383)	\$ 173,409
Other	<u>300,000</u>	<u>300,000</u>	<u>136,830</u>	<u>(163,170)</u>	<u>208,931</u>
Total Revenues	<u>446,000</u>	<u>446,000</u>	<u>225,447</u>	<u>(220,553)</u>	<u>382,340</u>
Expenditures:					
Current:					
General Government					
Other charges and services	<u>473,000</u>	<u>473,000</u>	<u>348,782</u>	<u>124,218</u>	<u>378,378</u>
Net Change in Fund Balances	<u>\$ (27,000)</u>	<u>\$ (27,000)</u>	<u>(123,335)</u>	<u>\$ (96,335)</u>	<u>3,962</u>
Fund Balance at Beginning of Year			<u>6,631,240</u>		<u>6,627,278</u>
Fund Balance at End of Year			<u>\$ 6,507,905</u>		<u>\$ 6,631,240</u>

The notes to the financial statements are an integral part of this statement.

Reader's Notes:

PROPRIETARY FUNDS

Water Fund - Established to account for the operation of the water service to the community.

Sewer Fund - Established to account for the operation of the sanitary sewer service to the community.

Storm Water Drainage Fund - Established to account for the operation of the storm water service to the community.

Golf Fund - Established to account for the operation of the City-owned golf course.

CITY OF COON RAPIDS, MINNESOTA

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Business-Type Activities - Enterprise Funds				Totals		Governmental Activities Internal Service Funds	
	Water	Sewer	Storm Water Drainage	Golf	2016	2015	2016	2015
Assets								
Current Assets:								
Cash and cash equivalents	\$ 1,184,985	\$ 881,550	\$ 1,092,240	\$ 420	\$ 3,159,195	\$ 3,824,391	\$ 9,669,804	\$ 9,235,092
Investments	3,135,648	2,332,716	2,890,231		8,358,595	9,965,289		
Accounts receivable	1,319,301	1,311,415	254,633	19,459	2,904,808	2,719,077		
Accrued interest receivable	11,509	8,595	10,639		30,743	40,111	25,687	24,610
Special assessments receivable:								
Current	13,072				13,072	11,053		
Delinquent	82,463				82,463	86,681		
Deferred	655,885				655,885	620,212		
Advances to other funds current		747,740			747,740	327,983		
Inventories	15,454			107,125	122,579	109,119		
Due from other governments	2,970	7,836	8,300	103,115	122,221	120,280		
Prepaid items	7,827	7,747	7,497	6,506	29,577	30,318	14,208	14,208
Total Current Assets	6,429,114	5,297,599	4,263,540	236,625	16,226,878	17,854,514	9,709,699	9,273,910
Noncurrent Assets:								
Capital Assets								
Land	371,408		1,115,630	489,139	1,976,177	1,976,177		
Buildings and structures	35,024,879	4,517,396		11,222,928	50,765,203	49,898,796		
Furniture, machinery and equipment	2,653,261	1,244,622	964,014	3,210,116	8,072,013	8,239,788		
Other improvements	8,344,054	118,047		3,543,709	12,005,810	11,937,375		
Infrastructure	45,000,288	42,780,042	23,104,134		110,884,464	103,552,729		
Construction in progress	3,444,097	1,356,339	196,650		4,997,086	3,715,974		
Total Capital Assets	94,837,987	50,016,446	25,380,428	18,465,892	188,700,753	179,320,839		
Less: accumulated depreciation	(35,488,950)	(16,924,623)	(14,257,727)	(6,270,708)	(72,942,008)	(69,528,117)		
Total Capital Assets (net of accumulated depreciation)	59,349,037	33,091,823	11,122,701	12,195,184	115,758,745	109,792,722		
Total Assets	65,778,151	38,389,422	15,386,241	12,431,809	131,985,623	127,647,236	9,709,699	9,273,910
Deferred Outflows of Resources:								
Pension plan deferments - PERA	221,273	387,228	110,636	276,591	995,728	213,186		
Total Assets and Deferred Outflows of Resources	\$ 65,999,424	\$ 38,776,650	\$ 15,496,877	\$ 12,708,400	\$ 132,981,351	\$ 127,860,422	\$ 9,709,699	\$ 9,273,910

(continued)

CITY OF COON RAPIDS, MINNESOTA

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Business-Type Activities - Enterprise Funds				Totals		Governmental Activities Internal Service Funds	
	Water	Sewer	Storm Water Drainage	Golf	2016	2015	2016	2015
Liabilities								
Current Liabilities:								
Accounts payable	\$ 127,154	\$ 10,690	\$ 15,928	\$ 54,330	\$ 208,102	\$ 474,546	\$ 133,972	\$ 45,935
Salaries payable	32,900	19,309	3,064	25,442	80,715	78,178		
Contracts payable		57,994			57,994	382,795		
Due to other governments	2,398,989	9,617		7,251	2,415,857	110,777		
Advance from other funds current				833,700	833,700	403,293		
Accrued interest payable	163,356		6,474	43,696	213,526	238,279		
Deposits payable				165,236	165,236	145,957		
Compensated absences	22,634				22,634	3,530	151,802	179,586
Current capital leases payable				69,035	69,035	67,164		
Current maturities of long-term debt	1,855,000		80,000	130,000	2,065,000	1,855,000		
Total Current Liabilities	4,600,033	97,610	105,466	1,328,690	6,131,799	3,759,519	285,774	225,521
Noncurrent Liabilities:								
Compensated absences	39,194	59,573	11,410	82,043	192,220	196,999	2,299,571	2,203,877
Net pension liability	531,990	930,983	265,995	664,987	2,393,955	1,543,873		
Other post employment benefits							4,366,116	3,979,161
Leases payable				168,650	168,650	237,684		
Advance from other funds long-term				652,650	652,650	738,610		
Bonds payable, (net of current maturities and unamortized (discount)/premium)	15,303,094		692,427	4,250,068	20,245,589	18,251,016		
Total Noncurrent Liabilities	15,874,278	990,556	969,832	5,818,398	23,653,064	20,968,182	6,665,687	6,183,038
Total Liabilities	20,474,311	1,088,166	1,075,298	7,147,088	29,784,863	24,727,701	6,951,461	6,408,559
Deferred Inflows of Resources:								
Pension plan deferments - PERA	60,258	105,452	30,129	75,323	271,162	174,230		
Net Position								
Net investment in capital assets	42,190,943	33,091,823	10,350,274	7,815,116	93,448,156	89,686,706		
Unrestricted	3,273,912	4,491,209	4,041,176	(2,329,127)	9,477,170	13,271,785	2,758,238	2,865,351
Total Net Position	45,464,855	37,583,032	14,391,450	5,485,989	102,925,326	102,958,491	2,758,238	2,865,351
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 65,999,424	\$ 38,776,650	\$ 15,496,877	\$ 12,708,400			\$ 9,709,699	\$ 9,273,910
Adjustments to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds					25,915	(492)		
Net position of business-type activities					\$ 102,951,241	\$ 102,957,999		

The notes to the financial statements are an integral part of this statement.

Reader's Notes:

CITY OF COON RAPIDS, MINNESOTA

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

	Business-Type Activities - Enterprise Funds				Totals		Governmental Activities Internal Service Funds	
	Water	Sewer	Storm Water Drainage	Golf	2016	2015	2016	2015
Operating Revenues:								
Sales, fees, and charges	\$ 5,950,460	\$ 6,470,596	\$ 1,365,322	\$ 6,673,523	\$ 20,459,901	\$ 18,247,650	\$ 70,675	\$ 72,732
Miscellaneous	4,273	517	289	15,681	20,760	54,964	305,293	260,783
Total Operating Revenues	5,954,733	6,471,113	1,365,611	6,689,204	20,480,661	18,302,614	375,968	333,515
Operating Expenses:								
Personal services	900,039	667,678	300,631	949,539	2,817,887	2,663,029	217,840	244,592
Contracted labor				2,113,736	2,113,736	1,617,856		
Other charges and services	1,953,231	661,456	337,886	1,317,669	4,270,242	4,407,164	1,011,351	775,747
Supplies	206,103	46,903	57,421	621,199	931,626	888,822	251	
Disposal charges		4,361,173			4,361,173	3,916,339		
Pro Shop cost of goods sold				157,775	157,775	151,251		
Restaurant cost of goods sold				1,140,421	1,140,421	805,557		
Depreciation	1,982,402	926,428	644,215	729,786	4,282,831	4,149,553		
Total Operating Expenses	5,041,775	6,663,638	1,340,153	7,030,125	20,075,691	18,599,571	1,229,442	1,020,339
Operating Income (Loss)	912,958	(192,525)	25,458	(340,921)	404,970	(296,957)	(853,474)	(686,824)
Nonoperating Revenues (Expenses):								
Investment income (charges)	19,219	35,382	32,265	(4,291)	82,575	269,989	64,632	166,329
Intergovernmental revenue				61,231	61,231	63,884		
Sale of water meters	21,880				21,880	34,095		
Gain on disposal of capital assets	4,765	48,065			52,830	30,128		
Interest and fiscal charges	(363,582)		(14,109)	(229,664)	(607,355)	(617,759)		
Purchase and repair of water meters	(49,296)				(49,296)	(35,981)		
Total Nonoperating Revenues (Expenses)	(367,014)	83,447	18,156	(172,724)	(438,135)	(255,644)	64,632	166,329
Income (Loss) before transfers	545,944	(109,078)	43,614	(513,645)	(33,165)	(552,601)	(788,842)	(520,495)
Transfers in							775,349	783,924
Transfers out							(93,620)	(69,075)
Change in net position	545,944	(109,078)	43,614	(513,645)	(33,165)	(552,601)	(107,113)	194,354
Net Position at Beginning of Year	44,918,911	37,692,110	14,347,836	5,999,634			2,865,351	2,670,997
Net Position at End of Year	\$ 45,464,855	\$ 37,583,032	\$ 14,391,450	\$ 5,485,989			\$ 2,758,238	\$ 2,865,351
Adjustments to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds					26,407	(2,223)		
Change in net position of business-type activities					\$ (6,758)	\$ (554,824)		

The notes to the financial statements are an integral part of this statement.

CITY OF COON RAPIDS, MINNESOTA

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

	Business-Type Activities - Enterprise Funds				Totals		Governmental Activities Internal Service Funds	
	Water	Sewer	Storm Water Drainage	Golf	2016	2015	2016	2015
<u>Increase (Decrease) in Cash and Cash Equivalents</u>								
Cash flows from operating activities:								
Cash received from customers	\$ 5,756,016	\$ 6,439,404	\$ 1,352,485	\$ 6,711,610	\$ 20,259,515	\$ 18,299,237	\$ 375,968	\$ 339,039
Cash paid to employees for services	(867,663)	(596,088)	(282,654)	(890,148)	(2,636,553)	(2,635,270)	(149,930)	(267,526)
Cash paid to suppliers for goods and services	(2,201,981)	(5,083,646)	(381,754)	(5,491,717)	(13,159,098)	(11,971,157)	(536,610)	(368,593)
Net cash provided (used) by operating activities	2,686,372	759,670	688,077	329,745	4,463,864	3,692,810	(310,572)	(297,080)
Cash flows from noncapital financing activities:								
Sale of water meters	21,880				21,880	34,095		
Purchase and repair of water meters	(49,296)				(49,296)	(35,981)		
Interfund loan - Principal payment				(75,310)	(75,310)	(52,872)		
Interfund loan - Interest payment				(18,785)	(18,785)	(4,439)		
Interfund loan proceeds						668,000		
Advance to other funds		(419,757)			(419,757)	(327,983)		
Advance from other funds				419,757	419,757	327,982		
Transfer in							775,349	783,924
Transfer out							(93,620)	(69,075)
Net cash provided (used) by noncapital financing activities	(27,416)	(419,757)		325,662	(121,511)	608,802	681,729	714,849
Cash flows from capital and related financing activities:								
Acquisition and construction of capital assets	(5,072,610)	(2,036,058)	(925,898)	(309,768)	(8,344,334)	(4,328,353)		
Proceeds from sale of capital assets	4,765	48,065			52,830	66,485		
Bond proceeds (net of issuance costs)	3,811,122				3,811,122	1,589,170		
Premium on bond proceeds	268,886				268,886	85,809		
Principal paid on revenue bonds	(1,655,000)		(75,000)	(125,000)	(1,855,000)	(1,320,000)		
Interest paid on revenue bonds	(407,055)		(16,287)	(141,643)	(564,985)	(516,823)		
Principal paid on capital lease				(67,163)	(67,163)	(43,762)		
Interest paid on capital lease				(7,542)	(7,542)	(6,041)		
Net cash used by capital and related financing activities	(3,049,892)	(1,987,993)	(1,017,185)	(651,116)	(6,706,186)	(4,473,515)		

(continued)

CITY OF COON RAPIDS, MINNESOTA

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

	Business-Type Activities - Enterprise Funds				Totals		Governmental Activities Internal Service Funds	
	Water	Sewer	Storm Water Drainage	Golf	2016	2015	2016	2015
Cash flows from investing activities:								
Sale of investments	255,570	1,150,012	201,112		1,606,694			
Purchase of investments						(1,610,589)		
Interest on investments	19,042	43,194	33,998	(4,291)	91,943	269,526	63,555	169,812
Net cash provided (used) by investing activities	274,612	1,193,206	235,110	(4,291)	1,698,637	(1,341,063)	63,555	169,812
Net increase (decrease) in cash and cash equivalents	(116,324)	(454,874)	(93,998)		(665,196)	(1,512,966)	434,712	587,581
Cash and cash equivalents at beginning of year	1,301,309	1,336,424	1,186,238	420	3,824,391	5,337,357	9,235,092	8,647,511
Cash and cash equivalents at end of year	<u>\$ 1,184,985</u>	<u>\$ 881,550</u>	<u>\$ 1,092,240</u>	<u>\$ 420</u>	<u>\$ 3,159,195</u>	<u>\$ 3,824,391</u>	<u>\$ 9,669,804</u>	<u>\$ 9,235,092</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities								
Operating income (loss)	<u>\$ 912,958</u>	<u>\$ (192,525)</u>	<u>\$ 25,458</u>	<u>\$ (340,921)</u>	<u>\$ 404,970</u>	<u>\$ (296,957)</u>	<u>\$ (853,474)</u>	<u>\$ (686,824)</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:								
Depreciation	1,982,402	926,428	644,215	729,786	4,282,831	4,149,553		
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:								
(Increase) decrease in accounts receivable	(166,815)	(31,537)	(6,846)	19,467	(185,731)	(64,668)		5,524
(Increase) decrease in due from other governments	1,572	(172)	(6,280)	2,939	(1,941)	(4,658)		
(Increase) decrease in inventories	2,327			(15,787)	(13,460)	44,334		
(Increase) decrease in prepaid items	4,555	(1,566)	(1,435)	(813)	741	17,293		
(Increase) decrease in special assessments receivable	(33,474)				(33,474)	65,949		
Increase (decrease) in deferred outflows of resources	(173,898)	(304,322)	(86,949)	(217,373)	(782,542)	(150,425)		
Increase (decrease) in accounts payable	(50,707)	(5,544)	14,988	(123,477)	(164,740)	(206,621)	88,037	20,771
Increase (decrease) in salaries payable	270	1,806	(2,730)	3,191	2,537	(16,676)		
Increase (decrease) in deposits payable				19,279	19,279	(38,361)		
Increase (decrease) in compensated absences	(4,443)	5,823	2,432	10,513	14,325	4,665	67,910	(22,934)
Increase in other post employment benefits							386,955	386,383
Increase (decrease) in due to other governments	1,178	(7,004)		(20,119)	(25,945)	(813)		
Increase (decrease) in net pension liability	188,907	330,587	94,454	236,134	850,082	15,965		
Increase in deferred inflows of resources	21,540	37,696	10,770	26,926	96,932	174,230		
Total adjustments	<u>1,773,414</u>	<u>952,195</u>	<u>662,619</u>	<u>670,666</u>	<u>4,058,894</u>	<u>3,989,767</u>	<u>542,902</u>	<u>389,744</u>
Net cash provided (used) by operating activities	<u>\$ 2,686,372</u>	<u>\$ 759,670</u>	<u>\$ 688,077</u>	<u>\$ 329,745</u>	<u>\$ 4,463,864</u>	<u>\$ 3,692,810</u>	<u>\$ (310,572)</u>	<u>\$ (297,080)</u>
Non-Cash investing, capital, and financing activities:								
Change in fair value of investments	\$ (19,219)	\$ (35,464)	\$ (32,439)	\$	\$ (87,122)	\$ 62,961	\$ (64,375)	\$ 38,630
Purchase of capital assets on account	\$ 2,327,995	\$ (270,398)	\$	\$ (153,077)	\$ 1,904,520	\$ 684,864		
Amortization of bond premium/discount	\$ 43,900		\$ 1,553	\$ (1,140)	\$ 44,313	\$ 39,868		

The notes to the financial statements are an integral part of this statement.

Reader's Notes:

FIDUCIARY FUND

Deposit Fund - Established to account for the monies to be held until conditions set forth by the City are satisfied.

STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
 DECEMBER 31, 2016
 (WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Balance December 31, 2016	Balance December 31, 2015
<u>Assets:</u>		
Cash and investments	\$ 1,265,155	\$ 1,411,939
Accrued interest	<u>3,381</u>	<u>3,936</u>
Total Assets	<u><u>\$ 1,268,536</u></u>	<u><u>\$ 1,415,875</u></u>
<u>Liabilities:</u>		
Deposits Payable	<u><u>\$ 1,268,536</u></u>	<u><u>\$ 1,415,875</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Reader's Notes:

I. Summary of Significant Accounting Policies

The City of Coon Rapids operates under the "Home Rule Charter" form of government according to applicable State of Minnesota Statutes. The Charter prescribes a Council-Manager form of organization. The City provides the following services: general government, public safety, community services, community development, public works, public utilities, and a golf course.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The following is a summary of the City's more significant accounting policies.

A. The Financial Reporting Entity

The City's financial reporting entity consists of the City of Coon Rapids (the primary government), the Coon Rapids Housing and Redevelopment Authority (HRA) and the Coon Rapids Economic Development Authority (EDA) (both component units).

BLENDING COMPONENT UNIT

The HRA and EDA are included in the City's reporting entity because of the significance of their operational and financial relationships with the City. They are presented as "blended component units" and therefore the individual fund balances and transactions of the HRA Fund (which accounts for the HRA and EDA) are blended into the financial statements.

The HRA and EDA were created by the City to carry out the economic development and tax increment financing activities in the City of Coon Rapids. The governing boards of both are the City Council, the Council reviews and approves HRA tax levies, and the City provides major community financing for HRA and EDA activities. Debt issuances for HRA and EDA activities are City general obligations. Although the HRA and EDA are separate legal entities, they are under the immediate control of the City and its Council. Separate financial statements for the HRA and EDA are not issued.

JOINTLY GOVERNED ORGANIZATION

The City is a member of the Local Government Information Systems Association (LOGIS). This is a consortium of approximately 20 government entities which provides computerized data processing and support services to its members. LOGIS is legally separate from the City, as the City does not appoint a voting majority of the Board and the consortium is fiscally independent of the City. The City paid \$379,069 to this organization for services and supplies provided during 2016 which are accounted for in the General, Water, Sewer, and Storm Water Drainage Funds.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

I. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments and other long-term liabilities, are recorded when the payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest and charges for services. Funds held by the state and county at year end on behalf of the government also are recognized as revenue. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds are reported using the accrual basis of accounting.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Housing Programs Special Revenue Fund* accounts for housing improvement loan programs which are available to qualifying citizens and a scattered site housing program for the removal of residential structures in blighted areas. Revenue sources consist of mortgage and interest revenue from housing loans.

The *Improvement Bonds Debt Service Fund* accounts for the payment of bonds and interest for special assessment projects bonded for with G.O. Improvement Bonds.

The *Special Assessment Capital Projects Fund* accounts for the construction of public improvements, such as streets, water mains, sewer mains and storm sewers which are to be paid for wholly or in part from special assessments levied against benefited property owners.

The *Park Improvement Capital Projects Fund* accounts for the construction of parks through land acquisition and development of facilities.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

I. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The *Housing and Redevelopment Authority Capital Projects Fund* accounts for tax increment financing and economic development activities in the City.

The government reports the following major proprietary funds:

The *Water Fund* accounts for the operation of the water service to the community.

The *Sewer Fund* accounts for the operation of the sanitary sewer service to the community.

The *Storm Water Drainage Fund* accounts for the operation of the storm sewer service to the community.

The *Golf Fund* accounts for the operation of the City-owned golf course.

Additionally, the government reports the following fund types:

The *Internal Service Funds* account for insurance provided to other activities of the government on a cost reimbursement basis, for compensated absences for the governmental funds, and for other post-employment benefits.

The *Agency Fund* accounts for developer, builder and other types of deposits held by the City until certain conditions are met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

1. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in investments authorized by State statutes and the City's investment policy. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with maturities of three months or less at the time of purchase. Short-term investments that have a maturity of one year or less at the time of purchase are stated at amortized cost which does not differ significantly from fair value. Long-term investments are those that have a remaining maturity of over one year at the time of purchase and are stated at fair value.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

1. Cash and Investments (continued)

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

2. Property Taxes Receivable

Property tax levies are set by the City Council in December each year and are certified to the County for collection the following year. In Minnesota, counties act as collection agents for all property taxes.

The County spreads all levies over the taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Revenues are accrued and recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes may be paid on February 28 and June 30. The County provides tax settlements to cities and other taxing districts three times a year, in June, November and January.

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable, and are fully offset by deferred inflows of resources in the fund financial statements because they are not known to be available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

3. Special Assessments Receivable

Special assessments are levied against the benefited properties for the assessable costs of special assessment improvement projects in accordance with State statutes. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. The assessments are collectible over a term of years generally consistent with the term of years of the related bond issue. Collection of annual installments (including interest) is handled by the County in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties. Special assessments which remain unpaid at December 31 are classified as delinquent, deferred and other special assessments receivable and are fully offset by deferred inflows of resources in the fund financial statements because they are not known to be available to finance current expenditures.

Special assessments receivable includes the following components:

Current - amounts collected by Anoka County and not yet remitted to the City.

Delinquent - amounts billed to property owners but not paid.

Deferred - assessment installments which will be billed to property owners in future years.

Other - assessments for which payment has been postponed based on Council action.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

I. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

4. Inventory, Property for Resale and Prepaid Items

Inventories are valued at lower of cost or market using the first-in/first-out (FIFO) method. Inventories are recorded as expenditures/expenses when sold or used (consumption method) rather than when purchased.

Property for resale is valued at fair market value. Property for resale is classified in Level 2 of the fair value hierarchy as described in note 1.D.1.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if the original cost is not available. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

The city has elected not to report intangible assets acquired in years prior to 2010. The City did not acquire any intangible assets for the year ending December 31, 2016.

Land and construction in progress are not depreciated. Property, plant and equipment are depreciated using the straight-line method applied over the following estimated useful lives of the assets.

	Useful Life
	<u>In Years</u>
Buildings and structures	10-50
Furniture, machinery and equipment	3-20
Other improvements	10-75
Infrastructure	25-75

The City reviews its property for impairment whenever events indicate the decline in service utility of the capital asset is significant in magnitude and the event or change in circumstances is outside the normal cycle of the capital asset.

6. Compensated Absences

The City compensates employees upon termination for unused vacation and one-half of the unused sick pay up to a maximum based on length of service. Accumulated unpaid vacation and sick pay is accrued and expensed as it is earned.

The Compensated Absences Internal Service fund accounts for compensated absences for governmental activities. Compensated absences for business-type activities are accounted for within the Enterprise Funds.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

I. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. State-Wide Pension Plans

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from the PERA's fiduciary net position have been determined on the same basis as they are reported by the PERA except that the PERA's fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The PERA has a special funding situation created by a direct aid contribution made by the State of Minnesota. The direct aid is a result of the merger of the Minneapolis Employees Retirement Fund into the PERA on January 1, 2015.

9. Deferred Outflows/Inflows of Resources

In addition to assets, statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. It is the deferred outflows of resources related to pensions reported in the government-wide and proprietary Statements of Net Position. This deferred outflow results from differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings on pension plan investments, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension standards.

In addition to liabilities, statements of net position or balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items which qualify for reporting in this category.

The first item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from three sources: property taxes, special assessments, and other receivables not collected within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

I. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

9. Deferred Outflows/Inflows of Resources (continued)

The second item, deferred inflows of resources related to pensions, is reported in the government-wide and proprietary fund Statements of Net Position. This deferred inflow results from differences between expected and actual experience, changes of assumptions, and the difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized as required under pension standards.

The third item, grants for subsequent years, is reported in the government-wide statement of net position and the governmental funds balance sheet. This item represents MSA grant funding received before the time requirements were met.

10. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – consists of amounts that are not in spendable form, such as prepaid items, inventory and advances to other funds.

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed – consists of internally imposed constraints. These constraints are established by Resolution of the City Council, which is the City's highest level of decision making authority.

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management. Pursuant to City Council Resolution, The City's Finance Director is authorized to establish assignments of fund balance.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to first use the restricted resources and then use unrestricted resources as they are needed. When unrestricted resources are available for use, it is the City's policy to use resources in the following order: committed, assigned, unassigned.

11. Net Position

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

I. Summary of Significant Accounting Policies (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (continued)

11. Net Position (continued)

Restricted Net Position - Consists of net position restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted Net Position - All other elements of net position that do not meet the definition of "restricted" or "net investment in capital assets."

On the government wide financial statements, when both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

12. Comparative Data/Reclassifications

Comparative total data for the prior year has been presented only for the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

E. Prior Period Adjustment

A prior period adjustment was made to correct the presentation of an advanced grant funded from the Minnesota State Aid (MSA) division of the Minnesota Department of Transportation. The advanced grant was incorrectly recorded as revenue in 2015 and should have been recorded as a deferred inflow of resources. The details of the restatement are as follows:

	Government-Wide Financial Statements	Governmental Funds Financial Statements
Net Position/Fund Balance at beginning of year, as previously stated	\$180,484,279	\$67,983,884
Deferred Inflows related to grants for subsequent years - MSA	(3,454,571)	(3,454,571)
Net Position/Fund Balance at beginning of year, restated	<u>\$177,029,708</u>	<u>\$64,529,313</u>

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted on a modified accrual basis for the General Fund and Special Revenue Funds. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all Capital Projects Funds.

Budgetary control is maintained at the object of expenditure category level within each activity. Budgeted amounts are as originally adopted, or as amended by the City Council. The budget may be amended by a majority of the Council by resolution. Management may not amend the budget without Council approval. Budgeted appropriations lapse at year end.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

II. Stewardship, Compliance, and Accountability (continued)

B. Excess of Expenditures over Appropriations

Fund	Personal Services	Other Charges	Capital Outlay
Nonmajor Law Enforcement Programs Fund		\$44,754	
Nonmajor Fire Department Programs Fund		317	
Nonmajor Lodging Tax Fund		17,091	
Nonmajor Public Communication Fund	\$85,116	17,532	\$1,485
Nonmajor Senior Activity Fund		50,761	
Nonmajor Curbside Recycling Fund		73,905	6,266

C. Deficit Fund Equity

The following funds had a deficit fund balance or net position at year end. The City plans to eliminate these deficits through future revenues and/or other financing sources.

Fund	Amount
Park Improvement Fund	\$1,034,447
Nonmajor Public Communications Special Revenue Fund	227,308
Nonmajor Curbside Recycling Special Revenue Fund	8,891
Nonmajor Equipment Certificate Capital Projects Fund	749,999
Retirement Insurance Internal Service Fund	427,191

III. Detailed Notes on All Funds

A. Cash and Investments

Cash and investments at December 31, 2016, consist of the following:

	Fair Value
U.S. Agencies	\$65,798,258
Negotiable Certificates of Deposit	5,941,716
Repurchase Agreements	7,829,233
Total investments	79,569,207
Cash on hand	2,985
Book balance of deposits	4,778,837
Total cash and investments	\$84,351,029

Custodial Credit Risk – Deposits: For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to the City. State statutes require that insurance, surety bonds or collateral protect all City deposits. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. As of December 31, 2016, the bank balance of the City's deposits was covered by federal depository insurance.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2016, the City had the following investments and maturities.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

A. Cash and Investments (continued)

Investment Type	Credit Risk		Fair Value	No Maturity Date	Investment Maturities (in Years)			
	Rating	Agency			Less than 1	1-5	6-10	More than 10
U.S. Agencies*	AA+	S&P	Level 1			\$11,859,832	\$25,117,260	\$980,280
U.S. Agencies*	Aaa	Moody's	Level 1			1,054,768		
U.S. Agencies*	AA+	S&P	Level 2		\$999,705	6,910,511	14,680,129	
U.S. Agencies*	N/R	N/A	Level 1			3,191,088		
U.S. Agencies*	N/R	N/A	Level 2			1,004,685		
Negotiable Certificates of Deposit	N/R	N/A	Level 1		993,064	3,215,514	247,222	
Negotiable Certificates of Deposit	N/R	N/A	Level 2			1,485,916		
Repurchase Agreements**	N/R	N/A	N/A	\$7,829,233				
Total				\$7,829,233	\$1,992,769	\$28,722,314	\$40,044,611	\$980,280

N/A - Not Applicable

N/R No Rating

*Includes securities subject to call dates. For purposes of this disclosure, it is assumed that investments will be held until maturity.

** Repurchase agreement investments are valued on a cost-basis measure, and therefore are not subject to the fair value disclosure.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The City has adopted an investment policy which follows the Minnesota Statutes with respect to the instruments allowed. The Statutes authorize the City to invest in obligations of the U.S. Treasury and federal agencies and instrumentalities, commercial paper that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less, banker's acceptances of United States banks, repurchase agreements, certificates of deposit, and money market funds whose portfolios consist of United States Treasury obligations and Federal Agency issues. As of December 31, 2016, the City's investments in U.S. Agencies (other than those with the direct guarantee of the U.S. Government), money market funds and the underlying securities for repurchase agreements were rated Aaa by Moody's Investor Service and AA+ by Standard and Poor's Financial Services.

Concentration of Credit Risk: Concentration risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City does not have a formal policy that limits the amount of investments in a single issuer. As of December 31, 2016, the City held more than 5% of its investments with the following issuers:

U.S. Agencies:

Federal Home Loan Mortgage Corporation	12%
Federal Home Loan Banks	24%
Federal Farm Credit Banks	27%
Federal National Mortgage Association	14%
Wells Fargo Stagecoach Sweep Repurchase Agreement	10%

Custodial Credit Risk - Investments: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City has adopted an investment policy which follows the Minnesota Statutes with respect to the safekeeping of investments. As of December 31, 2016, all investments were insured or registered, or securities were held by the City or its agent in the City's name in accordance with Minnesota Statutes.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

B. Notes and Mortgages Receivable

Notes Receivable

In 2009, the City made an interest bearing loan at an interest rate of 4 percent to Steinwall, Inc. for \$170,000 through the Housing and Redevelopment Authority (HRA). This loan will be repaid in equal monthly installments with the final payment due on or before September 1, 2019. Notes receivable of \$53,701 are outstanding in the HRA Capital Projects Fund at December 31, 2016.

In 2011, the City made an interest bearing loan at varying interest rates (months 1-60 at 2.4% interest, months 61-80 at 5% interest, months 81-100 at 7.0% interest, and months 101-120 at 9% interest) to Biovest International, Inc. through the Housing and Redevelopment Authority (HRA). This loan will be repaid in equal monthly installments with a final balloon payment of \$198,909 due on or before May 1, 2021. Notes receivable of \$272,180 are outstanding in the HRA Capital Projects Fund at December 31, 2016.

In 2012, the City entered into an agreement with Anoka-Hennepin Independent School District No. 11 for School District use of dedicated locker rooms in the Coon Rapids Ice Center. This is a five year agreement to pay \$268,000 to the City. The School District made nine semi-annual installments of \$29,778 starting on September 1, 2012. This note was paid off in 2016.

In 2014, the City made an interest bearing loan at the interest rate of 6.0 percent to HMM LLC (Chanticlear Pizza), for \$100,000 through the Housing and Redevelopment Authority (HRA). This loan will be repaid in equal monthly installments with the final payment due on or before March 1, 2019. Notes receivable of \$74,480 are outstanding in the HRA Capital Projects fund at December 31, 2016.

In 2014, the City made an interest bearing note at an interest rate of 3.0 percent to Coon Rapids Andover American Little League for \$135,000. This loan will be repaid in equal semi annual installments with the final payment due on or before November 1, 2028. Notes receivable of \$102,915 are outstanding in the Facility Construction Fund at December 31, 2016.

In 2015, the City made an interest bearing loan at the interest rate of 5.25 percent to Coon Rapids Evergreen 23 LLC (Magnum Trucking) for \$500,000 through the Housing and Redevelopment Authority (HRA). This loan will be repaid in equal monthly installments with the final payment due on or before April 1, 2035. Notes receivable of \$475,358 are outstanding in the HRA Capital Projects fund at December 31, 2016.

In 2015, the City made a simple interest bearing loan at the interest rate of 1.00 percent to Coon Rapids Leased Housing Association IV, LLP (Dominium) for \$300,000. No payment of principal or interest will be made until January 19, 2034, at which time the principal amount and all accrued interest thereon are due and payable in full. Notes receivable of \$303,600 are outstanding in the HRA Capital Projects fund at December 31, 2016.

Mortgages Receivable

The City provides assistance to Coon Rapids residents to make necessary repairs or improvements to their homes through a housing loan program. Mortgages receivables of \$1,663,671 are outstanding in the Housing Programs Fund as of December 31, 2016. The amount not expected to be collected within one year is \$1,589,540.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

C. Due from Other Governments

Amounts due from other governments on December 31, 2016, were as follows:

	<u>Federal</u>	<u>Local</u>	<u>Total</u>
General Fund	\$17,898	\$183,497	\$201,395
Improvement Bonds Fund		1,616	1,616
Special Assessment Fund		44,039	44,039
Park Improvement Fund		67,672	67,672
Other Governmental Funds:			
Special Revenue Funds:			
Law Enforcement Programs Fund	10,380	6,184	16,564
Curbside Recycling		254,468	254,468
Total Other Governmental Funds	10,380	260,652	271,032
Total Governmental Funds	28,278	557,476	585,754
Proprietary Funds:			
Water Fund		2,970	2,970
Sewer Fund		7,836	7,836
Storm Water Drainage Fund		8,300	8,300
Golf Fund	9,967	93,148	103,115
Total Proprietary Funds	9,967	112,254	122,221
Totals	<u>\$38,245</u>	<u>\$669,730</u>	<u>\$707,975</u>

D. Postponed and Delinquent Special Assessments

Certain special assessments are postponed by appropriate City Council action. The City Code provides that when such postponed levies are actually assessed, they shall be adjusted by applying a construction index to the original receivable amount. Applying the index to the postponed assessments of \$1,033,417 at December 31, 2016, would result in a receivable amount of \$4,101,438.

Delinquent special assessments as of December 31, 2016 totaled \$455,733 in the governmental funds and \$82,463 in the proprietary funds.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

E. Capital Assets

Capital Asset Activity for the Year Ended December 31, 2016, was as follows:

<u>Governmental Activities</u>	Balance January 1, 2016	Increases	Decreases	Balance December 31, 2016
Capital assets, not being depreciated:				
Land	\$57,676,445			\$57,676,445
Construction in progress	13,704,359	\$12,306,672	(\$11,502,423)	14,508,608
Total capital assets, not being depreciated	71,380,804	12,306,672	(11,502,423)	72,185,053
Capital assets, being depreciated:				
Buildings and structures	31,606,142	264,841		31,870,983
Furniture, machinery & equipment	22,109,034	1,532,906	(4,055,164)	19,586,776
Other improvements	18,298,969	1,524,859		19,823,828
Infrastructure	80,373,620	10,219,010		90,592,630
Total capital assets, being depreciated	152,387,765	13,541,616	(4,055,164)	161,874,217
Less accumulated depreciation for:				
Buildings and structures	(8,704,869)	(777,173)		(9,482,042)
Furniture, machinery & equipment	(13,913,772)	(1,677,917)	4,033,270	(11,558,419)
Other improvements	(9,292,904)	(600,457)		(9,893,361)
Infrastructure	(43,687,940)	(2,287,716)		(45,975,656)
Total accumulated depreciation	(75,599,485)	(5,343,263)	4,033,270	(76,909,478)
Total capital assets, being depreciated, net	76,788,280	8,198,353	(21,894)	84,964,739
Governmental activities capital assets, net	<u>\$148,169,084</u>	<u>\$20,505,025</u>	<u>(\$11,524,317)</u>	<u>\$157,149,792</u>

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

E. Capital Assets (continued)

<u>Business-Type Activities</u>	<u>Balance January 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2016</u>
Capital assets, not being depreciated:				
Land	\$1,976,177			\$1,976,177
Construction in progress	<u>3,715,974</u>	<u>\$9,293,140</u>	<u>(\$8,012,028)</u>	<u>4,997,086</u>
Total capital assets, not being depreciated	<u>5,692,151</u>	<u>9,293,140</u>	<u>(8,012,028)</u>	<u>6,973,263</u>
Capital assets, being depreciated:				
Buildings and structures	49,898,796	866,407		50,765,203
Furniture, machinery & equipment	8,239,788	701,165	(868,940)	8,072,013
Other improvements	11,937,375	68,435		12,005,810
Infrastructure	<u>103,552,729</u>	<u>7,331,735</u>		<u>110,884,464</u>
Total capital assets, being depreciated	<u>173,628,688</u>	<u>8,967,742</u>	<u>(868,940)</u>	<u>181,727,490</u>
Less accumulated depreciation for:				
Buildings and structures	(19,136,346)	(1,361,980)		(20,498,326)
Furniture, machinery & equipment	(4,704,936)	(658,489)	868,940	(4,494,485)
Other improvements	(6,947,697)	(523,497)		(7,471,194)
Infrastructure	<u>(38,739,138)</u>	<u>(1,738,865)</u>		<u>(40,478,003)</u>
Total accumulated depreciation	<u>(69,528,117)</u>	<u>(4,282,831)</u>	<u>868,940</u>	<u>(72,942,008)</u>
Total capital assets, being depreciated, net	<u>104,100,571</u>	<u>4,684,911</u>		<u>108,785,482</u>
Business-type activities capital assets, net	<u>\$109,792,722</u>	<u>\$13,978,051</u>	<u>(\$8,012,028)</u>	<u>\$115,758,745</u>

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

E. Capital Assets (continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental activities:</u>	<u>Total</u>
General government	\$549,607
Public safety	733,638
Community services	3,922
Community development	22,419
Public works	4,033,677
	<hr/>
Total depreciation expense-governmental activities	<u>\$5,343,263</u>
<u>Business-Type activities:</u>	
Water	\$1,982,402
Sewer	926,428
Storm water drainage	644,215
Golf	729,786
	<hr/>
Total depreciation expense-business-type activities	<u>\$4,282,831</u>

F. Construction and Other Significant Commitments

The City has entered into construction contracts in various funds as follows:

<u>Fund</u>	<u>Project Authorization</u>	<u>Expended through 12/31/16</u>	<u>Commitment</u>
Water Fund	<u>\$453,825</u>	<u>\$0</u>	<u>\$453,825</u>

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

G. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2016, is as follows:

1. Advances to/from other funds:

Advances are used to cover funds that would otherwise have a negative cash balance due to the timing of cash payments and/or construction costs incurred prior to the issuance of bonds, to reflect interfund loans, and to cover special assessments to be made at a future date. The following advances were made as of December 31, 2016:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$234,592
Special Assessment	Nonmajor Governmental	914,628
Special Assessment	Golf	662,770
Nonmajor Governmental	Park Improvement	510,627
Nonmajor Governmental	Nonmajor Governmental	749,999
Nonmajor Governmental	Golf	75,840
Sewer	Golf	747,740
Total		<u>\$3,896,196</u>

2. Interfund Transfers

Transfers are used to move funds to finance various programs or projects that the City must account for in other funds in accordance with budgetary authorizations, to move revenues from the fund with collection authorization to funds where related expenditures are occurring, and to provide funding from unrestricted balances for funds with unexpected expenditures.

	Transfer in:						Total
	General	Special Assessment	Park Improvement	HRA	Nonmajor Governmental	Internal Service	
Transfer out:							
General					\$1,040,000	\$713,993	\$1,753,993
Improvement Bonds		\$490,211					490,211
Special Assessment	\$32,154				393,328		425,482
Nonmajor Governmental	30,015		\$1,183,000	\$2,027,405	173,228	13,722	3,427,370
Internal Service				1,590	44,396	47,634	93,620
Total	<u>\$62,169</u>	<u>\$490,211</u>	<u>\$1,183,000</u>	<u>\$2,028,995</u>	<u>\$1,650,952</u>	<u>\$775,349</u>	<u>\$6,190,676</u>

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

H. Leases

1. Capital Leases

During 2015, the City entered into an agreement for the lease of 108 electric golf carts with TCF Equipment Finance. This lease is paid in monthly installments with the final payment due in 2020. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date in the Golf Enterprise Fund.

The assets acquired through capital leases are as follows:

	Golf Fund
Machinery and equipment	\$482,510
Less: Accumulated depreciation	(184,871)
Total	\$297,639

The future minimum lease payments and the net present value of these payments as of December 31, 2016 were as follows:

Year	Golf Fund
2017	\$74,705
2018	74,705
2019	74,705
2020	24,902
Total	249,017
Less amount representing interest	(11,332)
Present value of minimum lease payments	\$237,685

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

I. Long-Term Debt

1. Bonds

The Schedule of Bonded Indebtedness (Exhibit N) details all bond issues. The long-term debt obligations for bonds outstanding at year end are summarized as follows:

Bonds	Final Maturities	Rates	December 31, 2016
Governmental Activities:			
Debt Service Funds	2021, 2030, 2036	2.0-4.5%	\$18,275,000
Special Assessment Fund	2019, 2021, 2023, 2024, 2025, 2026, 2027	2.0-4.3%	18,250,000
Business-Type Activities:			
Public Utility Funds	2018, 2021, 2024, 2025, 2026, 2027	2.0-4.45%	17,390,000
Recreational Facility Funds	2028, 2036	2.0-5.5%	4,410,000
Total			58,325,000
Add unamortized discounts/premiums			1,303,867
Total long-term bonded debt			<u>\$59,628,867</u>

Bonds payable from the Debt Service funds includes one new bond issue. The Debt Service Funds include the G.O. Park Improvement Bonds which are backed by the full faith and credit of the City and will be repaid with property taxes. The Park Improvement Bonds Fund currently has \$426,401 available to service these bonds. Also included in the Debt Service Funds are Lease Revenue Bonds which were issued by the Coon Rapids Economic Development Authority, a component unit of the City of Coon Rapids. The City anticipates to repay these bonds from property taxes. The Lease Revenue Bonds Fund currently has \$834,981 available to service these bonds.

Special assessment bonds are backed by the full faith and credit of the City and were issued for capital assets of the City. These are payable primarily from special assessments against benefited property.

Bonded indebtedness of funds classified as business-type activities is a direct obligation of these funds, is serviced from net revenues of the funds, and is carried as a liability within the funds. The net revenues are pledged as collateral with respect to these bonds and the full faith and credit of the City is pledged as an additional guarantee.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

I. Long-Term Debt (continued)

1. Bonds (continued)

The annual requirements to amortize long term debt obligations outstanding at December 31, 2016, excluding capital leases, accrued compensated absences, net pension liability, and other postemployment benefits and including interest payments of \$13,672,860 over the life of the debt, are summarized below:

Governmental Activities	Debt Service Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2017	\$730,000	\$646,889	\$2,850,000	\$430,737
2018	925,000	624,644	1,745,000	399,046
2019	960,000	596,369	1,825,000	339,645
2020	990,000	567,119	1,865,000	281,825
2021	1,020,000	534,494	1,845,000	227,325
2022-2026	4,570,000	2,216,537	7,555,000	453,537
2027-2031	4,945,000	1,385,504	565,000	5,650
2032-2036	4,135,000	481,611		
TOTALS	\$18,275,000	\$7,053,167	\$18,250,000	\$2,137,765

Business-type Activities	Public Utility Funds		Recreational Facility Funds	
	Principal	Interest	Principal	Interest
2017	\$1,935,000	\$450,433	\$130,000	\$198,813
2018	2,285,000	405,945	180,000	193,568
2019	1,915,000	343,509	190,000	187,448
2020	1,970,000	283,195	200,000	180,695
2021	2,025,000	221,641	210,000	173,355
2022-2026	6,825,000	415,322	1,185,000	739,239
2027-2031	435,000	4,350	1,140,000	485,040
2032-2036			1,175,000	199,375
TOTALS	\$17,390,000	\$2,124,395	\$4,410,000	\$2,357,533

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

I. Long-Term Debt (continued)

1. Bonds (continued)

The revenue pledged for each bond issue is as follows:

Bond Issue	Use of Proceeds	Type	Revenue Pledged			Remaining Principal and Interest	Current Year	
			% of Total Debt Service	Debt Service as a % of Net Revenues	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
G.O. Park Improvement Bonds 2015A	(2)	Property taxes	100%	n/a	2015-30	\$5,928,681	\$495,817	\$1,204,975
G.O. Park Improvement Bonds 2016A	(2)	Property taxes	100%	n/a	2016-21	799,301	0	0
Lease Revenue Bonds 2010B	(3)	Property taxes/lease payments	100%	n/a	2010-36	18,600,185	936,944	981,834
G.O. Improvement Bonds 2008A	(1)	Property taxes & assessments	100%	n/a	2009-19	510,541	168,370	217,847
G.O. Improvement Bonds 2010B	(1)	Property taxes & assessments	100%	n/a	2010-21	1,120,250	340,775	340,775
G.O. Improvement Bonds 2013A	(1)	Property taxes & assessments	100%	n/a	2013-23	2,651,300	423,300	423,300
G.O. Improvement Bonds 2013B	(1)	Property taxes & assessments	100%	n/a	2013-24	2,792,912	356,725	390,525
G.O. Improvement Bonds 2014A	(1)	Property taxes & assessments	100%	n/a	2014-25	4,030,063	479,325	605,353
G.O. Improvement Bonds 2015A	(1)	Property taxes & assessments	100%	n/a	2015-26	3,531,050	111,581	407,872
G.O. Improvement Bonds 2016A	(1)	Property taxes & assessments	100%	n/a	2016-27	5,751,649	0	0
G.O. Water Revenue Refunding Bonds 2007A	(4)	Water revenues	100%	16%	2010-21	2,310,300	466,300	466,300
G.O. Water Revenue Bonds 2008A	(4)	Water revenues	100%	9%	2010-24	1,987,310	251,593	251,593
G.O. Water Revenue Refunding Bonds 2013A	(4)	Water revenues	100%	16%	2013-18	938,500	472,900	472,900
G.O. Water Revenue Bonds 2013B	(4)	Water revenues	100%	10%	2013-24	2,381,869	300,288	300,288
G.O. Water Revenue Bonds 2014A	(4)	Water revenues	100%	18%	2014-25	4,794,559	513,631	513,631
G.O. Water Revenue Bonds 2015A	(4)	Water revenues	100%	2%	2015-26	1,812,850	57,344	57,344
G.O. Water Revenue Bonds 2016A	(4)	Water revenues	100%	n/a	2016-27	4,456,176	0	0
G.O. Storm Water Drainage Revenue Bonds 2014A	(5)	Storm Water drainage revenues	100%	13%	2014-25	832,831	91,288	91,288
G.O. Golf Course Revenue Bonds, Series 2010A	(6)	Golf revenues (84%)	100%	81%	2010-36	5,857,394	311,710	311,710
		Federal credit (16%)						
G.O. Golf Course Revenue Bonds, Series 2013A	(6)	Golf revenues	100%	4%	2013-28	910,139	16,165	16,165

(1) Infrastructure improvements

(2) Park improvements

(3) Ice arena land and construction

(4) Water system improvements

(5) Storm water drainage improvements

(6) Golf course improvements (pledged revenue includes Federal credit for Build America Bonds)

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

I. Long-Term Debt (continued)

2. Long-term debt activity for the year ended December 31, 2016, was as follows:

	Balance January 1, 2016	Additions	Reductions	Balance December 31, 2016	Due Within One Year
<u>Governmental Activities</u>					
Bonds Payable:					
General Obligation Bonds	\$5,295,000	\$735,000	(\$315,000)	\$5,715,000	\$295,000
Lease Revenue Bonds	12,985,000		(425,000)	12,560,000	435,000
Special Assessment Bonds	14,800,000	4,950,000	(1,500,000)	18,250,000	2,850,000
Unamortized Amounts:					
Bond discount/premium	463,499	386,989	(57,210)	793,278	
Total Bonds Payable	33,543,499	6,071,989	(2,297,210)	37,318,278	3,580,000
Net Pension Liability ¹	17,179,767	35,719,769	(6,437,022)	46,462,514	
Compensated Absences ¹	2,383,463	273,134	(205,224)	2,451,373	151,802
Other Postemployment Benefits ¹	3,979,161	692,568	(305,613)	4,366,116	
<u>Governmental Activities</u> <u>Long-Term Liabilities</u>	<u>\$57,085,890</u>	<u>\$42,757,460</u>	<u>(\$9,245,069)</u>	<u>\$90,598,281</u>	<u>\$3,731,802</u>
<u>Business-Type Activities</u>					
Bonds Payable:					
Water Revenue Bonds	\$14,450,000	\$3,835,000	(\$1,655,000)	\$16,630,000	\$1,855,000
Storm Water Drainage Revenue Bonds	835,000		(75,000)	760,000	80,000
Golf Course Revenue Bonds	4,535,000		(125,000)	4,410,000	130,000
Unamortized Amounts:					
Bond discount/premium	286,016	268,886	(44,313)	510,589	
Total Bonds Payable	20,106,016	4,103,886	(1,899,313)	22,310,589	2,065,000
Capital Leases	304,848		(67,163)	237,685	69,035
Net Pension Liability	1,543,873	1,194,149	(344,067)	2,393,955	
Compensated Absences	200,529	23,705	(9,380)	214,854	22,634
<u>Business-Type Activities</u> <u>Long-Term Liabilities</u>	<u>\$22,155,266</u>	<u>\$5,321,740</u>	<u>(\$2,319,923)</u>	<u>\$25,157,083</u>	<u>\$2,156,669</u>

¹Net pension liability, compensated absences and other postemployment benefit obligations in the Governmental Activities have been liquidated by funding from the General Fund in 2016 and prior years.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

I. Long-Term Debt (continued)

3. Conduit Debt Obligations

Conduit debt obligations are certain limited-obligation revenue bonds or similar debt instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued various Industrial Development and Housing Revenue Bonds to provide funding to private-sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt beyond the resources provided by related leases or loans. Accordingly, the bonds are not reported as liabilities in the financial statements of the City.

As of December 31, 2016, the following issues were outstanding:

Name	Date of Issue	Original Amount of Issue	Balance Outstanding as of December 31, 2016
Pine Point Apartments	4/97	\$2,125,000	\$1,675,000
Margaret Place	9/97	2,670,000	2,215,000
Wedum Redwood Terrace	6/99	4,370,000	3,045,000
Crest Oak Apartments	7/01	500,000	390,000
Crest Oak Apartments	7/01	3,000,000	2,385,000
Epiphany Assisted Living - Refunding	9/05	8,850,000	8,240,000
Mississippi View Apartments	9/06	3,400,000	2,750,000
Mississippi View Apartments	9/06	2,650,000	2,650,000
Drake Apartments - Refunding	7/08	2,755,000	2,655,000
Tralee Terrace Apartments	6/10	3,930,000	3,660,000
Tralee Terrace Apartments	6/10	3,795,000	2,786,786
Epiphany Refunding Bonds	5/12	5,060,000	3,948,752
Coon Rapids Leased Housing Associates	10/15	24,816,000	24,816,000
Total		<u>\$69,486,000</u>	<u>\$61,216,538</u>

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

III. Detailed Notes on All Funds (continued)

J. Fund Balance Classifications

At December 31, 2016, a summary of the governmental fund balance classifications are as follows:

	General*	Housing Program Fund	Improvement Bonds	Special Assessment Fund	Park Improvement Fund	HRA Fund	Other Governmental Funds	Total
Nonspendable:								
Inventories	\$313,295							\$313,295
Prepaid items	157,923					\$3,145	\$6,121	167,189
Advances to other funds	234,592							234,592
Total nonspendable	<u>705,810</u>					<u>3,145</u>	<u>6,121</u>	<u>715,076</u>
Restricted for:								
Contract grants	25,995							25,995
Debt service			\$3,846,505				1,261,382	5,107,887
Drug forfeitures							180,722	180,722
Tax increment financing						13,235,697		13,235,697
Total restricted	<u>25,995</u>		<u>3,846,505</u>			<u>13,235,697</u>	<u>1,442,104</u>	<u>18,550,301</u>
Committed to:								
Housing programs		\$6,507,905						6,507,905
Development of projects			1,726,074	\$5,551,174			6,622,182	13,899,430
Redevelopment						10,901,020		10,901,020
Public safety programs							9,376	9,376
Commissions and events							52,365	52,365
Law enforcement programs							88,968	88,968
Total committed		<u>6,507,905</u>	<u>1,726,074</u>	<u>5,551,174</u>		<u>10,901,020</u>	<u>6,772,891</u>	<u>31,459,064</u>
Assigned to:								
Budgeted carryforwards	<u>75,850</u>							<u>75,850</u>
Unassigned	<u>13,566,004</u>				<u>(\$1,034,447)</u>		<u>(989,396)</u>	<u>11,542,161</u>
Total	<u>\$14,373,659</u>	<u>\$6,507,905</u>	<u>\$5,572,579</u>	<u>\$5,551,174</u>	<u>(\$1,034,447)</u>	<u>\$24,139,862</u>	<u>\$7,231,720</u>	<u>\$62,342,452</u>

*The City adopted a General Fund fund balance policy of maintaining an unassigned fund balance at year-end of 45% of the upcoming year's budgeted expenditures and transfers out. This percentage at December 31, 2016 was 45.3%

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
IV. Other Information

A. Risk Management

The City established the Insurance Reserve Fund to account for losses related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disaster. This Fund provides for losses up to \$50,000 for each claim with an annual aggregate of \$200,000. The City purchases commercial insurance coverage above the deductible through the League of Minnesota Cities Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the League for its insurance coverage. The League of Minnesota Cities Insurance Trust is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, but retains risk for the deductible portion of its insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance coverage from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

The City's workers compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after losses are known. A premium has been recorded in those funds with personal service expenditures according to the worker's compensation class rates for 2016. Additionally, the difference between the actual claims incurred and the calculated premiums that had been allocated to various funds is credited or charged to the Insurance Reserve Fund. For 2016, there was a charge of \$98,122 to this fund for this purpose.

At December 31, 2016, there are no claim liabilities reported in the Insurance Reserve Fund based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Insurance Reserve Fund's claims liability (exclusive of worker's compensation retrospective premiums) for the past two fiscal years are as below. The end of year balance is a current liability and excludes insurance premiums payable of \$121,254.

<u>Year</u>	<u>Balance Beginning of Year</u>	<u>Claims Expense & Estimates</u>	<u>Claims Payments</u>	<u>Balance End of Year</u>
2015	\$2,853	\$205,550	\$185,586	\$22,817
2016	22,817	141,794	151,893	12,718

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

IV. Other Information (continued)

B. Retirement Plans

1. Defined Benefit Pension Plans - Statewide

a. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the PERA. PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

1. General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participated in the Coordinated Plan.

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police offers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to the PERA.

The following table summarizes the impact of these plans on the City's government-wide financial statements:

	State-Wide PERA Pension Plan		
	GERF	PEPFF	Total
Deferred outflows	\$ 5,531,827	\$ 25,740,686	\$ 31,272,513
Net pension liability	13,299,747	35,556,722	48,856,469
Deferred inflows	1,506,455	4,155,628	5,662,083
Pension revenue	51,780	79,740	131,520
Pension expense	1,753,486	6,152,870	7,906,356

b. Benefits Provided

The PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the State Legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

IV. Other Information (continued)

B. Retirement Plans (continued)

1. Defined Benefit Pension Plans – Statewide (continued)

b. Benefits Provided (continued)

1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for the PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

2. PEPFF Benefits

Benefits for PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after 10 years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years up to 100 percent after 20 years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

c. Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

1. GERF Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in calendar year 2016. The City was required to contribute 7.50 percent for Coordinated Plan members in calendar year 2016. The City's contributions to the GERF for the year ended December 31, 2016 were \$785,187. The City's contributions were equal to the required contributions as set by state statute.

2. PEPFF Contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2016. The City was required to contribute 16.20 percent of pay for PEPFF members in calendar year 2016. The City's regular contributions to the PEPFF for the year ended December 31, 2016 were \$1,405,945. The City's contributions were equal to the required contributions as set by state statute.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

IV. Other Information (continued)

B. Retirement Plans (continued)

1. Defined Benefit Pension Plans – Statewide (continued)

d. Pension Costs

1. GERP Pension Costs

At December 31, 2016, the City reported a liability of \$13,299,747 for its proportionate share of the GERP's net pension liability. The City's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$6 million to the fund in 2016. The state of Minnesota is considered a non-employer contributing entity and the state of Minnesota's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the City total \$173,659. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2015 through June 30, 2016, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2016, the City's proportionate share was .1638 percent, which was a decrease of .0017 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$1,701,706 for its proportionate share of the GERP's pension expense. In addition, the City recognized an additional \$51,780 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$6 million to the GERP.

At December 31, 2016, the City reported its proportionate share of the GERP's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience		\$1,083,368
Changes in actuarial assumptions	\$2,604,101	
Differences between projected and actual investment earnings	2,530,604	
Changes in proportion		423,087
Contributions paid to the PERA subsequent to the measurement date	397,122	
Total	<u>\$5,531,827</u>	<u>\$1,506,455</u>

Deferred outflows of resources reported \$397,122 related to pensions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2017	\$941,731
2018	\$941,731
2019	\$1,264,379
2020	\$480,409

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

IV. Other Information (continued).

B. Retirement Plans (continued)

1. Defined Benefit Pension Plans – Statewide (continued)

d. Pension Costs (continued)

2. PEPFF Pension Costs

At December 31, 2016, the City reported a liability of \$35,556,722 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2015 through June 30, 2016, relative to the total employer contributions received from all of the PERA's participating employers. At June 30, 2016, the City's proportion was .886 percent, which as a decrease of .007 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$6,152,870 for its proportionate share of the PEPFF's pension expense. The City also recognized \$79,740 for the year ended December 31, 2016, as revenue for its proportionate share of the state of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the state of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

At December 31, 2016, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience		\$4,089,348
Changes in actuarial assumptions	\$19,568,418	
Differences between projected and actual investment earnings	5,436,598	
Changes in proportion	28,801	66,280
Contributions paid to the PERA subsequent to the measurement date	706,869	
Total	<u>\$25,740,686</u>	<u>\$4,155,628</u>

Deferred outflows of resources reported \$706,869 related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2017	\$4,493,582
2018	\$4,493,582
2019	\$4,493,582
2020	\$4,051,614
2021	\$3,345,829

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
IV. Other Information (continued)

B. Retirement Plans (continued)

1. Defined Benefit Pension Plans – Statewide (continued)

e. Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Active member payroll growth	3.25% per year
Investment rate of return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for the GERP and RP-2000 tables for the PEPFF for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1 percent per year for all future years for the GERP and the PEPFF.

Actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the GERP was completed in 2015. The experience study for the PEPFF was for the period July 1, 2004 through June 30, 2009.

The following changes in actuarial assumptions occurred in 2016:

1. GERP

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2. PEPFF

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016
IV. Other Information (continued)

B. Retirement Plans (continued)

1. Defined Benefit Pension Plans – Statewide (continued)

e. Actuarial Assumptions (continued)

The State Board of Investment, which manages the investments of the PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic stocks	45%	5.50%
International stocks	15%	6.00%
Bonds	18%	1.45%
Alternative assets	20%	6.40%
Cash	2%	0.50%

f. Discount Rate

The discount rate used to measure the total pension liability in 2016 was 7.5 percent, a reduction from the 7.9 percent used in 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In the PEPFF, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2056. Beginning in fiscal year ended June 30, 2057, when projected benefit payments exceed the funds' projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 2.85 percent based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.60 percent was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50 percent applied to all years of projected benefits through the point of asset depletion and 2.85 percent after.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

IV. Other Information (continued)

B. Retirement Plans (continued)

1. Defined Benefit Pension Plans – Statewide (continued)

g. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
The City's proportionate share of the GEFR net pension liability	<u>\$18,889,583</u>	<u>\$13,299,747</u>	<u>\$8,695,244</u>
	1% Decrease in Discount Rate (4.6%)	Discount Rate (5.6%)	1% Increase in Discount Rate (6.6%)
The City's proportionate share of the PEPFF net pension liability	<u>\$49,774,691</u>	<u>\$35,556,722</u>	<u>\$23,939,561</u>

h. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the PERA website at www.mnpera.org.

2. Defined Contribution Plan

Council members of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, the PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (0.0025) of the assets in each member's account annually.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

IV. Other Information (continued)

B. Retirement Plans (continued)

2. Defined Contribution Plan (continued)

Total contributions made by the City for the last three fiscal years were:

For the Year Ended December 31	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees and Employers
	Employee	Employer	Employee	Employer	
2016	\$1,750	\$1,750	5%	5%	5%
2015	1,709	1,709	5%	5%	5%
2014	700	700	5%	5%	5%

C. Other Post-Employment Benefits

1. Plan Description

In addition to providing the pension benefits described in Note IV.B., the City provides post-employment health care benefits (as defined in section 2 below) for retired employees and police and firefighters disabled in the line of duty, through a single-employer defined benefit plan. The term *Plan* refers to the City's requirement by State Statute to provide retirees with access to health insurance. The OPEB plan is administered by the City. The authority to provide these benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and collective bargaining agreements with employee groups. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The Plan does not issue a separate report.

2. Benefits Provided

a. Retirees

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Eligibility for continuing group health and dental insurance for City retirees is defined as follows:

- 1) Retirees who are at least 55 years of age and are PERA Basic, PERA Coordinated, or PERA Defined Contribution eligible; or
- 2) Retirees who are members of the PERA Police and Fire Fund who are at least 50 years of age and are PERA Police and Fire Pension eligible; or
- 3) Former employees approved for disability retirement by PERA.

Employees may obtain spouse coverage at retirement or add spouse coverage at the beginning of an enrollment year. Covered spouses may continue coverage after the retiree's death.

All health care coverage is provided through the City's group health insurance plans. The retiree is required to pay 100% of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims cost for retirees exceeds the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Retirees and spouses are eligible to remain in the City-sponsored group health insurance plan until death or the obtainment of Medicare, provided the applicable premiums are paid.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

IV. Other Information (continued)

C. Other Post-Employment Benefits (continued)

2. Benefits Provided (continued)

b. Police and Fire Retirees

The City pays 100% of the single plan premium cost for police officers hired before March 1, 2007 and firefighters hired before January 1, 2014 who retire before age 65 as stipulated in the police and fire union contracts. These employees are eligible for those benefits until they reach age 65 or become eligible for Medicare.

c. Disabled Police and Firefighters

In accordance with Minnesota Statute 299A.465, the City is responsible to continue payment of the City's contribution toward health coverage for police officers or firefighters disabled in the line of duty, or a surviving spouse and/or dependents of a police officer or firefighter killed in the line of duty. The contribution continues until the police officer, firefighter or surviving spouse reaches age 65 or the dependent is no longer eligible under the contract.

3. Participants

As of the last actuarial valuation date of January 1, 2016, participants consisted of:

Retirees and beneficiaries currently purchasing health insurance through the City	0
Retirees receiving payments	26
Active employees	<u>230</u>
Total	<u>256</u>
Participating employers	<u>1</u>

4. Funding Policy

The additional cost of using a blended rate for actives and retirees is currently funded on a pay-as-you-go basis. Funding for the net OPEB obligation (discussed below) is provided in the Retirement Insurance Internal Service Fund. The City Council may change the funding policies at any time.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

IV. Other Information (continued)

C. Other Post-Employment Benefits (continued)

5. Annual OPEB Costs and Net OPEB Obligation

The City's annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The net OPEB obligation as of December 31, 2016, was calculated as follows:

Annual required contribution (ARC)	\$668,844
Interest on net OPEB obligation	179,062
Adjustment to the ARC	<u>(155,338)</u>
Annual OPEB cost	692,568
Contributions made during the year	<u>305,613</u>
Increase in net OPEB obligation	386,955
Net OPEB obligation - beginning of year	<u>3,979,161</u>
Net OPEB obligation - end of year	<u><u>\$4,366,116</u></u>

The City had an actuarial valuation performed for the plan as of January 1, 2016 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC). The City's annual OPEB cost, percentage of annual OPEB cost contributed to the plan and net OPEB obligation for the past three fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2014	\$687,143	\$325,379	47.4%	\$3,592,778
December 31, 2015	743,688	357,305	48.0%	3,979,161
December 31, 2016	692,568	305,613	44.1%	4,366,116

6. Funded Status and Funding Progress

The City currently has no assets that have been irrevocably deposited in a trust for future health benefits; therefore, the actuarial value of assets is zero. The funded status of the plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2016	\$0	\$7,497,276	\$7,497,276	0.0%	\$16,894,000	44.4%

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

IV. Other Information (continued)

C. Other Post-Employment Benefits (continued)

7. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation, the following methods and assumptions were used:

- Actuarial cost method – projected unit credit
- Amortization of unfunded actuarial accrued liability (UAAL) – level percentage of payroll over an open amortization period of 30 years
- Discount rate – 4.5%
- Payroll growth rate – 3.5%
- Salary increase rates – the salary increase rates used in the PERA plan of which the employee is a participant
- Monthly rates – life expectancies were based on the RP2000 mortality tables
- Retirement rates – the retirement rates used in the PERA plan of which the employee is a participant
- Dependent status – the percent of future retirees electing spouse coverage is assumed to be the same as the current percentage. Current and future retirees were assumed to have no children.
- Healthcare cost trend rate – an initial rate of 9.0% reducing to 5% over 12 years which includes an inflation rate assumption of 2.75%.

CITY OF COON RAPIDS, MINNESOTA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

IV. Other Information (continued)

D. Tax Increment Pay-As-You-Go Financing Revenue Notes

The City has entered into private development agreements regarding certain tax increment properties. Contemplated in the development agreements were reimbursements to the developers for public improvements involved with the developments. The vehicle used for these reimbursements is called a tax increment revenue note.

These notes provide for the payment of principal, equal to the developer's costs, plus interest at a set rate. Payments on the loan will be made at the lesser of the note payment or the actual net tax increment received (or a reduced percentage received in certain cases) during specific years as stated in the agreement. Payments are first applied to accrued principal and then to the interest balance. The note is canceled at the end of the agreement term, whether or not the note has been repaid. Any additional tax increments received in years following the term are retained by the City or returned to the County to be distributed among the taxing jurisdictions.

The outstanding principal balance as of December 31, 2016, for these agreements was \$1,644,170. This amount is not included in long-term debt because of the nature of the note in that repayment is required only if sufficient tax increments are received. The City's position is that these obligations to assign future and uncertain revenue sources and, as such, is not actual debt in substance.

<u>Name</u>	<u>Purpose</u>	<u>Amount of taxes abated during the fiscal year</u>	<u>Outstanding principal balance at year end</u>	<u>Date of required decertification</u>
1-21 Thousand Oaks	Housing	\$5,561	\$0	December 31, 2023
1-24 Cottage Homesteads of Coon Creek	Housing	\$28,598	\$85,825	December 31, 2019
1-29 Oak Manor	Housing	\$17,787	\$8,345 (1)	December 31, 2016
1-31 River North	Housing	\$0	\$1,550,000	December 31, 2042

(1) Final payment will be made February 1, 2017.

E. Contingent Liabilities

Claims and Litigation - There are several lawsuits pending in which the City is involved. In the opinion of management, the potential claims against the City not covered by insurance should not materially affect the financial statements of the City.

CITY OF COON RAPIDS

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

Public Employees Retirement Association

Defined Benefit Pensions Plans

**Schedule of City's Proportionate Share of Net Pension Liability
GERF Retirement Fund**

	2016	2015
City's proportion of the net position liability	0.1638%	0.1655%
City's proportionate share of the net pension liability	\$13,299,747	\$8,577,070
City's proportionate share of the State of Minnesota's proportionate share of the net pension liability	\$173,659	\$0
Proportionate share of the net pension liability and the City's share of the State of Minnesota's share of the net pension liability	\$13,473,406	\$8,577,070
City's covered-employee payroll	\$10,139,747	\$9,716,392
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	131.20%	88.27%
Plan fiduciary net position as a percentage of the total pension liability	68.90%	78.19%

Note 1: Changes in Plan Provisions. On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the GERF, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

Note 2: Changes in actuarial assumptions. (1) 2015 Changes - The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter. (2) 2016 Changes - The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all future years. The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Note 3: The City implemented GASB Statement No. 68 in fiscal year 2015 (using a June 30, 2015 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

CITY OF COON RAPIDS

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

Public Employees Retirement Association

Defined Benefit Pensions Plans

Schedule of City's Proportionate Share of Net Pension Liability

PEPFF Retirement Fund

	2016	2015
City's proportion of the net position liability	0.8860%	0.8930%
City's proportionate share of the net pension liability	\$35,556,722	\$10,146,570
City's covered-employee payroll	\$8,533,901	\$8,179,311
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	416.70%	124.05%
Plan fiduciary net position as a percentage of the total pension liability	63.88%	86.61%

Note 1: The post-retirement benefit increase to be paid after attainment of the 90 percent funding threshold was changed, from inflation up to 2.5 percent, to a fixed rate of 2.5 percent.

Note 2: Changes in actuarial assumptions. (1) 2015 Changes - The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter. (2) 2016 Changes - The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years. The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 5.60 percent. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Note 3: The City implemented GASB Statement No. 68 in fiscal year 2015 (using a June 30, 2015 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

CITY OF COON RAPIDS

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

Public Employees Retirement Association

**Defined Benefit Pensions Plans
Schedule of City Contributions
GERF Retirement Fund**

	2016	2015
Statutorily required contribution	\$785,187	\$741,080
Contributions in relation to the statutorily required contributions	\$785,187	\$741,080
Contribution deficiency (excess)	\$0	\$0
City covered-employee payroll	\$10,469,160	\$9,885,121
Contributions as a percentage of covered-employee payroll	7.50%	7.50%

Note 1: The City implemented GASB Statement No. 68 in fiscal year 2015 (using a June 30, 2015 measurement date).

This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

**Defined Benefit Pensions Plans
Schedule of City Contributions
PEPFF Retirement Fund**

	2016	2015
Statutorily required contribution	\$1,405,945	\$1,358,308
Contributions in relation to the statutorily required contributions	\$1,405,945	\$1,358,308
Contribution deficiency (excess)	\$0	\$0
City covered-employee payroll	\$8,678,673	\$8,383,915
Contributions as a percentage of covered-employee payroll	16.20%	16.20%

Note 1: The City implemented GASB Statement No. 68 in fiscal year 2015 (using a June 30, 2015 measurement date).

This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

CITY OF COON RAPIDS

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

Other Postemployment Benefits Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2012	0	\$9,308,930	\$9,308,930	0.0%	\$14,877,430	62.6%
January 1, 2014	0	6,923,053	6,923,053	0.0%	16,002,743	43.3%
January 1, 2016	0	7,497,276	7,497,276	0.0%	16,894,000	44.4%

COMBINING AND INDIVIDUAL STATEMENTS AND SCHEDULES

CITY OF COON RAPIDS, MINNESOTA

COMBINING BALANCE SHEET
GOVERNMENTAL FUND TYPES (NONMAJOR FUNDS)
 DECEMBER 31, 2016
 (WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

				Totals	
	Special Revenue	Debt Service	Capital Projects	2016	2015
Assets					
Cash and investments	\$ 812,941	\$ 1,257,593	\$ 5,327,522	\$ 7,398,056	\$ 8,683,377
Taxes receivable		19,800	35,942	55,742	52,180
Accounts receivable	291,113			291,113	283,245
Accrued interest receivable	2,134	3,352	11,452	16,938	25,219
Notes receivable			102,915	102,915	186,610
Due from other governments	271,032			271,032	188,893
Advance to other funds			1,336,466	1,336,466	1,030,422
Prepaid items	6,121			6,121	7,433
Total Assets	\$ 1,383,341	\$ 1,280,745	\$ 6,814,297	\$ 9,478,383	\$ 10,457,379
Liabilities					
Accounts payable	\$ 81,378		\$ 47,841	\$ 129,219	\$ 126,448
Salaries payable	34,033		15,900	49,933	42,414
Contracts payable			21,429	21,429	
Due to other governments	19,040			19,040	247
Revenue collected in advance	1,515			1,515	
Advance from other funds	1,149,220		749,999	1,899,219	2,106,174
Total Liabilities	1,285,186		835,169	2,120,355	2,275,283
Deferred Inflows of Resources					
Unavailable revenue - property taxes		\$ 1,487	21,906	23,393	21,762
Unavailable revenue - other			102,915	102,915	186,610
Total Deferred Inflows of Resources		1,487	124,821	126,308	208,372
Fund Balances					
Nonspendable:					
Prepaid items	6,121			6,121	7,433
Restricted:					
Drug forfeitures	180,722			180,722	166,056
Debt service		1,261,382		1,261,382	1,400,806
Tax increment financing					2,005,912
Total Restricted	180,722	1,261,382		1,442,104	3,572,774
Committed:					
Public safety programs	9,376			9,376	8,584
Commissions and events	52,365			52,365	61,581
Law Enforcement programs	88,968			88,968	84,770
Curbside Recycling					6,729
Development of projects		17,876	6,604,306	6,622,182	5,649,999
Total Committed	150,709	17,876	6,604,306	6,772,891	5,811,663
Unassigned	(239,397)		(749,999)	(989,396)	(1,418,146)
Total Fund Balance	98,155	1,279,258	5,854,307	7,231,720	7,973,724
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,383,341	\$ 1,280,745	\$ 6,814,297	\$ 9,478,383	\$ 10,457,379

CITY OF COON RAPIDS, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND TYPES (NONMAJOR FUNDS)

YEAR ENDED DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

				Totals	
	Special Revenue	Debt Service	Capital Projects	2016	2015
Revenues:					
General property taxes		\$ 2,360,055	\$ 1,798,110	\$ 4,158,165	\$ 4,170,485
Investment income	\$ 5,500	28,419	37,021	70,940	219,530
Intergovernmental	517,049			517,049	759,951
Charges for services	3,000			3,000	2,420
Other	2,000,916		562,359	2,563,275	2,249,490
Total Revenues	2,526,465	2,388,474	2,397,490	7,312,429	7,401,876
Expenditures:					
Current:					
General government	1,406,303			1,406,303	2,168,466
Public safety	67,270			67,270	289,901
Community services	151,861			151,861	146,078
Community development	236,660			236,660	286,015
Maintenance services	357,127			357,127	376,187
Capital outlay and improvements			2,626,033	2,626,033	2,690,131
Debt service:					
Principal retirement		740,000		740,000	415,000
Interest and fiscal charges		692,761		692,761	523,506
Total Expenditures	2,219,221	1,432,761	2,626,033	6,278,015	6,895,284
Excess (Deficiency) of Revenues over Expenditures	307,244	955,713	(228,543)	1,034,414	506,592
Other Financing Sources (Uses):					
Transfers in			1,650,952	1,650,952	841,916
Transfers out	(43,738)	(3,100,632)	(283,000)	(3,427,370)	(6,574,405)
Total Other Financing Sources (Uses)	(43,738)	(3,100,632)	1,367,952	(1,776,418)	(5,732,489)
Net Change in Fund Balances	263,506	(2,144,919)	1,139,409	(742,004)	(5,225,897)
Fund Balance (Deficit) at Beginning of Year	(165,351)	3,424,177	4,714,898	7,973,724	13,199,621
Fund Balance at End of Year	\$ 98,155	\$ 1,279,258	\$ 5,854,307	\$ 7,231,720	\$ 7,973,724

Reader's Notes:

SPECIAL REVENUE NONMAJOR FUNDS

Law Enforcement Programs Fund - Established to administer the proceeds from drug and DUI forfeiture activities. Also, to account for gifts and contributions from outside sources for the Drug Abuse Resistance Education (DARE) program and law enforcement block grant proceeds.

Fire Department Programs Fund - Established to account for special Fire Department activities including smoke detector, lock box, and Safety Camp Programs.

Lodging Tax Fund – Established to account for lodging taxes submitted by hotels and motels in the City and the disbursement of those taxes.

Public Communication Fund - Established to administer the proceeds from cable television franchise fees.

Commissions and Events Fund - Established to coordinate the activities of the Arts Commission, Historical Commission, and other special City events.

Senior Activity Fund - Established to account for special activities for the Senior Center. Proceeds are provided by gifts, fundraisers, and activity fees.

Community Development Block Grant Fund - Established to administer the proceeds from Housing and Community Development Grants.

Curbside Recycling Fund - Established to coordinate all city recycling activities and to administer the County grant.

CITY OF COON RAPIDS, MINNESOTA

**SPECIAL REVENUE NONMAJOR FUNDS
COMBINING BALANCE SHEET**

DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Law Enforcement Programs Fund	Fire Dept. Programs Fund	Lodging Tax Fund	Public Communication Fund	Commissions and Events Fund
Assets					
Cash and investments	\$ 257,201	\$ 11,447	\$ 11,100	\$ 459,636	\$ 5,948
Accounts receivable	75		19,150	271,241	
Accrued interest receivable	687	31		1,264	16
Due from other governments	16,564				
Prepaid items				2,573	
Total Assets	\$ 274,527	\$ 11,478	\$ 30,250	\$ 734,714	\$ 5,964
Liabilities					
Accounts payable	\$ 2,453	\$ 2,102	\$ 30,250	\$ 17,608	\$ 4
Salaries payable				29,552	
Due to other governments	2,384			234	
Revenue collected in advance					1,310
Advance from other funds				914,628	
Total Liabilities	4,837	2,102	30,250	962,022	1,314
Fund Balances					
Nonspendable:					
Prepaid items				2,573	
Restricted:					
Drug forfeitures	180,722				
Committed:					
Public safety programs		9,376			
Commissions and events					4,650
Law Enforcement programs	88,968				
Curbside Recycling programs					
Total Committed	88,968	9,376			4,650
Unassigned				(229,881)	
Total Fund Balance (Deficit)	269,690	9,376		(227,308)	4,650
Total Liabilities and Fund Balances	\$ 274,527	\$ 11,478	\$ 30,250	\$ 734,714	\$ 5,964

EXHIBIT D-1

Senior Activity Fund	Community Development Block Grant Fund	Curbside Recycling Fund	Totals	
			2016	2015
\$ 50,937	\$ 16,422	\$ 250	\$ 812,941	\$ 658,474
		647	291,113	281,965
136			2,134	2,377
		254,468	271,032	188,893
2,923		625	6,121	7,433
<u>\$ 53,996</u>	<u>\$ 16,422</u>	<u>\$ 255,990</u>	<u>\$ 1,383,341</u>	<u>\$ 1,139,142</u>
\$ 3,358		\$ 25,603	\$ 81,378	\$ 88,065
		4,481	34,033	27,649
	\$ 16,422		19,040	247
		205	1,515	
		234,592	1,149,220	1,188,532
<u>3,358</u>	<u>16,422</u>	<u>264,881</u>	<u>1,285,186</u>	<u>1,304,493</u>
2,923		625	6,121	7,433
<u>2,923</u>	<u>16,422</u>	<u>625</u>	<u>6,121</u>	<u>7,433</u>
			180,722	166,056
			9,376	8,584
47,715			52,365	61,581
			88,968	84,770
				6,729
<u>47,715</u>	<u>16,422</u>	<u>264,881</u>	<u>150,709</u>	<u>161,664</u>
		(9,516)	(239,397)	(500,504)
<u>50,638</u>	<u>16,422</u>	<u>(8,891)</u>	<u>98,155</u>	<u>(165,351)</u>
<u>\$ 53,996</u>	<u>\$ 16,422</u>	<u>\$ 255,990</u>	<u>\$ 1,383,341</u>	<u>\$ 1,139,142</u>

CITY OF COON RAPIDS, MINNESOTA

SPECIAL REVENUE NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

	Law Enforcement Programs Fund	Fire Dept. Programs Fund	Lodging Tax Fund	Public Communication Fund	Commissions and Events Fund
Revenues:					
Investment income	\$ 1,766	\$ 85		\$ 3,176	\$ 43
Intergovernmental	24,374			547	
Charges for services	3,000				
Other	47,177	10,524	\$ 282,106	1,410,154	3,683
Total Revenues	76,317	10,609	282,106	1,413,877	3,726
Expenditures:					
General Government			268,091	1,127,437	10,775
Public Safety	57,453	9,817			
Community Services					
Community Development					
Maintenance Services					
Total Expenditures	57,453	9,817	268,091	1,127,437	10,775
Excess (Deficiency) of Revenues over Expenditures	18,864	792	14,015	286,440	(7,049)
Other Financing Uses:					
Transfers out			(14,015)	(13,723)	
Net Change in Fund Balance	18,864	792		272,717	(7,049)
Fund Balance (Deficit) at Beginning of Year	250,826	8,584		(500,025)	11,699
Fund Balance (Deficit) at End of Year	\$ 269,690	\$ 9,376	\$	\$ (227,308)	\$ 4,650

EXHIBIT D-2

Senior Activity Fund	Community Development Block Grant Fund	Curbside Recycling Fund	Totals	
			2016	2015
\$ 430			\$ 5,500	\$ 15,948
	\$ 236,660	\$ 255,468	517,049	759,951
			3,000	2,420
166,237		81,035	2,000,916	1,837,073
166,667	236,660	336,503	2,526,465	2,615,392
			1,406,303	2,168,466
			67,270	289,901
151,861			151,861	146,078
	236,660		236,660	286,015
		357,127	357,127	376,187
151,861	236,660	357,127	2,219,221	3,266,647
14,806		(20,624)	307,244	(651,255)
(16,000)			(43,738)	(33,812)
(1,194)		(20,624)	263,506	(685,067)
51,832		11,733	(165,351)	519,716
\$ 50,638	\$	\$ (8,891)	\$ 98,155	\$ (165,351)

CITY OF COON RAPIDS, MINNESOTA

LAW ENFORCEMENT PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues:					
Investment income	\$ 3,800	\$ 3,800	\$ 1,766	\$ (2,034)	\$ 4,814
Intergovernmental			24,374	24,374	211,224
Charges for services			3,000	3,000	2,420
Other	25,000	25,000	47,177	22,177	69,265
Total Revenues	28,800	28,800	76,317	47,517	287,723
Expenditures:					
Public Safety:					
Other charges and services			44,754	(44,754)	257,740
Capital outlay		90,000	12,699	77,301	25,259
Total Expenditures		90,000	57,453	32,547	282,999
Net Change in Fund Balances	\$ 28,800	\$ (61,200)	18,864	\$ 80,064	4,724
Fund Balance at Beginning of Year			250,826		246,102
Fund Balance at End of Year			\$ 269,690		\$ 250,826

CITY OF COON RAPIDS, MINNESOTA

FIRE DEPARTMENT PROGRAMS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

YEAR ENDED DECEMBER 31, 2016

(WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
Revenues:					
Investment income	\$ 175	\$ 175	\$ 85	\$ (90)	\$ 206
Other	<u>10,000</u>	<u>10,000</u>	<u>10,524</u>	<u>524</u>	<u>6,316</u>
Total Revenues	<u>10,175</u>	<u>10,175</u>	<u>10,609</u>	<u>434</u>	<u>6,522</u>
Expenditures:					
Public Safety:					
Other charges and services	<u>9,500</u>	<u>9,500</u>	<u>9,817</u>	<u>(317)</u>	<u>6,902</u>
Net Change in Fund Balances	<u>\$ 675</u>	<u>\$ 675</u>	<u>792</u>	<u>\$ 117</u>	<u>(380)</u>
Fund Balance at Beginning of Year			<u>8,584</u>		<u>8,964</u>
Fund Balance at End of Year			<u>\$ 9,376</u>		<u>\$ 8,584</u>

LODGING TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues:					
Other	\$ 265,000	\$ 265,000	\$ 282,106	\$ 17,106	\$ 276,672
Expenditures:					
General Government:					
Other charges and services	251,000	251,000	268,091	(17,091)	262,923
Excess of Revenues over Expenditures	14,000	14,000	14,015	15	13,749
Other Financing Uses:					
Transfers out	(14,000)	(14,015)	(14,015)		(13,749)
Net Change in Fund Balance	<u>\$</u>	<u>\$ (15)</u>		<u>\$ 15</u>	
Fund Balance at Beginning of Year					
Fund Balance at End of Year			<u>\$</u>		<u>\$</u>

CITY OF COON RAPIDS, MINNESOTA

PUBLIC COMMUNICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>2015 Actual</u>
Revenues:					
Investment income	\$ 5,382	\$ 5,382	\$ 3,176	\$ (2,206)	\$ 9,319
Intergovernmental	600	600	547	(53)	535
Other	<u>1,142,000</u>	<u>1,142,000</u>	<u>1,410,154</u>	<u>268,154</u>	<u>1,262,522</u>
Total Revenues	<u>1,147,982</u>	<u>1,147,982</u>	<u>1,413,877</u>	<u>265,895</u>	<u>1,272,376</u>
Expenditures:					
General Government:					
Personal services	676,104	722,104	807,220	(85,116)	701,385
Other charges and services	192,600	193,600	211,132	(17,532)	208,153
Capital outlay	<u>47,800</u>	<u>107,600</u>	<u>109,085</u>	<u>(1,485)</u>	<u>984,860</u>
Total Expenditures	<u>916,504</u>	<u>1,023,304</u>	<u>1,127,437</u>	<u>(104,133)</u>	<u>1,894,398</u>
Excess (Deficiency) of Revenues over Expenditures	<u>231,478</u>	<u>124,678</u>	<u>286,440</u>	<u>161,762</u>	<u>(622,022)</u>
Other Financing Uses:					
Transfers out		<u>(13,723)</u>	<u>(13,723)</u>		<u>(4,063)</u>
Net Change in Fund Balances	<u>\$ 231,478</u>	<u>\$ 110,955</u>	<u>272,717</u>	<u>\$ 161,762</u>	<u>(626,085)</u>
Fund Balance (Deficit) at Beginning of Year			<u>(500,025)</u>		<u>126,060</u>
Fund Balance (Deficit) at End of Year			<u>\$ (227,308)</u>		<u>\$ (500,025)</u>

CITY OF COON RAPIDS, MINNESOTA

COMMISSIONS AND EVENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues:					
Investment income	\$ 225	\$ 225	\$ 43	\$ (182)	\$ 232
Other	12,000	12,000	3,683	(8,317)	7,069
Total Revenues	12,225	12,225	3,726	(8,499)	7,301
Expenditures:					
General Government:					
Other charges and services	15,000	15,000	10,775	4,225	11,145
Net Change in Fund Balances	<u>\$ (2,775)</u>	<u>\$ (2,775)</u>	(7,049)	<u>\$ (4,274)</u>	(3,844)
Fund Balance at Beginning of Year			11,699		15,543
Fund Balance at End of Year			<u>\$ 4,650</u>		<u>\$ 11,699</u>

CITY OF COON RAPIDS, MINNESOTA

SENIOR ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues:					
Investment income	\$ 900	\$ 900	\$ 430	\$ (470)	\$ 1,377
Other	132,000	132,000	166,237	34,237	154,037
Total Revenues	132,900	132,900	166,667	33,767	155,414
Expenditures:					
Community Services:					
Other charges and services	101,100	101,100	151,861	(50,761)	146,078
Excess of Revenues over Expenditures	31,800	31,800	14,806	(16,994)	9,336
Other Financing Uses:					
Transfers out	(16,000)	(16,000)	(16,000)		(16,000)
Net Change in Fund Balances	<u>\$ 15,800</u>	<u>\$ 15,800</u>	(1,194)	<u>\$ (16,994)</u>	(6,664)
Fund Balance at Beginning of Year			51,832		58,496
Fund Balance at End of Year			<u>\$ 50,638</u>		<u>\$ 51,832</u>

CITY OF COON RAPIDS, MINNESOTA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues:					
Intergovernmental	\$ 283,207	\$ 283,207	\$ 236,660	\$ (46,547)	\$ 286,015
Expenditures:					
Community Development:					
Other charges and services	84,962	84,962	81,185	3,777	84,962
Project costs	198,245	198,245	155,475	42,770	201,053
Total Expenditures	283,207	283,207	236,660	46,547	286,015
Net Change in Fund Balances	\$	\$		\$	
Fund Balance at Beginning of Year					
Fund Balance at End of Year			\$		\$

CITY OF COON RAPIDS, MINNESOTA

CURBSIDE RECYCLING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2015 Actual
Revenues:					
Intergovernmental	\$ 234,370	\$ 234,370	\$ 255,468	\$ 21,098	\$ 262,177
Other	40,000	40,000	81,035	41,035	61,192
Total Revenues	<u>274,370</u>	<u>274,370</u>	<u>336,503</u>	<u>62,133</u>	<u>323,369</u>
Expenditures:					
Maintenance Services:					
Personal services	118,071	118,071	111,997	6,074	104,143
Other charges and services	144,268	144,268	218,173	(73,905)	213,102
Capital outlay	12,031	20,691	26,957	(6,266)	58,942
Total Expenditures	<u>274,370</u>	<u>283,030</u>	<u>357,127</u>	<u>(74,097)</u>	<u>376,187</u>
Net Change in Fund Balance	<u>\$</u>	<u>\$ (8,660)</u>	<u>(20,624)</u>	<u>\$ (11,964)</u>	<u>(52,818)</u>
Fund Balance at Beginning of Year			<u>11,733</u>		<u>64,551</u>
Fund Balance at End of Year			<u>\$ (8,891)</u>		<u>\$ 11,733</u>

Reader's Notes:

DEBT SERVICE NONMAJOR FUNDS

Tax Increment Bonds 2003B - Established to account for the payment of principal and interest on the tax increment bonds issued for the Honeywell project.

Lease Revenue Bonds - Established to account for the payment of principal and interest on bonds issued for the construction of an ice arena and the purchase of property in and surrounding the construction area.

Park Improvement Bonds – Established to account for the payment of principal and interest on the park improvement bond issue.

Equipment Certificates - Established to account for the payment of principal and interest on equipment certificates that were issued to finance major capital outlay purchases.

CITY OF COON RAPIDS, MINNESOTA

DEBT SERVICE NONMAJOR FUNDS
COMBINING BALANCE SHEET

DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Tax Increment Bonds of 2003B	Lease Revenue Bonds	Park Improvement Bonds	Equipment Certificates	Totals	
					2016	2015
Assets						
Cash and investments	\$	\$ 825,135	\$ 415,990	\$ 16,468	\$ 1,257,593	\$ 3,397,806
Taxes receivable:						
Current		7,648	9,301	1,364	18,313	17,095
Delinquent		654		833	1,487	947
Accrued interest receivable		2,198	1,110	44	3,352	9,276
Total Assets	<u>\$</u>	<u>\$ 835,635</u>	<u>\$ 426,401</u>	<u>\$ 18,709</u>	<u>\$ 1,280,745</u>	<u>\$ 3,425,124</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes		654		\$ 833	\$ 1,487	\$ 947
Fund Balances						
Restricted:						
Debt service		\$ 834,981	\$ 426,401		1,261,382	1,400,806
Tax increment financing	<u>\$</u>					<u>2,005,912</u>
Total Restricted		<u>834,981</u>	<u>426,401</u>		<u>1,261,382</u>	<u>3,406,718</u>
Committed:						
Development of projects				17,876	17,876	17,459
Total Fund Balance		<u>834,981</u>	<u>426,401</u>	<u>17,876</u>	<u>1,279,258</u>	<u>3,424,177</u>
Total Deferred Inflows of Resources, and Fund Balances	<u>\$</u>	<u>\$ 835,635</u>	<u>\$ 426,401</u>	<u>\$ 18,709</u>	<u>\$ 1,280,745</u>	<u>\$ 3,425,124</u>

CITY OF COON RAPIDS, MINNESOTA

DEBT SERVICE NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

	Tax Increment Bonds of 2003B	Lease Revenue Bonds	Park Improvement Bonds	Equipment Certificates	Totals	
					2016	2015
Revenues:						
General property taxes		\$ 981,834	\$ 1,204,975	\$ 173,246	\$ 2,360,055	\$ 2,423,016
Investment income	\$ 21,493	2,839	3,689	398	28,419	105,622
Total Revenues	21,493	984,673	1,208,664	173,644	2,388,474	2,528,638
Expenditures:						
Principal retirement		425,000	315,000		740,000	415,000
Interest and fiscal charges		511,944	180,817		692,761	523,506
Total Expenditures		936,944	495,817		1,432,761	938,506
Excess of Revenues over Expenditures	21,493	47,729	712,847	173,644	955,713	1,590,132
Other Financing Uses:						
Transfers out	(2,027,405)		(900,000)	(173,227)	(3,100,632)	(5,340,593)
Net Change in Fund Balances	(2,005,912)	47,729	(187,153)	417	(2,144,919)	(3,750,461)
Fund Balance at Beginning of Year	2,005,912	787,252	613,554	17,459	3,424,177	7,174,638
Fund Balance at End of Year	\$	\$ 834,981	\$ 426,401	\$ 17,876	\$ 1,279,258	\$ 3,424,177

CITY OF COON RAPIDS, MINNESOTA

TAX INCREMENTS BONDS OF 2003B
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
Investment income	\$ 21,493	\$ 38,322
Other Financing Uses:		
Transfers out	(2,027,405)	
Net Change in Fund Balances	(2,005,912)	38,322
Fund Balance at Beginning of Year	2,005,912	1,967,590
Fund Balance at End of Year	<u>\$</u>	<u>\$ 2,005,912</u>

CITY OF COON RAPIDS, MINNESOTA

EXHIBIT E-4

LEASE REVENUE BONDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
General property taxes	\$ 981,834	\$ 981,268
Investment income	<u>2,839</u>	<u>6,593</u>
Total Revenues	<u>984,673</u>	<u>987,861</u>
Expenditures:		
Principal retirement	425,000	415,000
Interest and fiscal charges	<u>511,944</u>	<u>523,506</u>
Total Expenditures	<u>936,944</u>	<u>938,506</u>
Net Change in Fund Balances	<u>47,729</u>	<u>49,355</u>
Fund Balance at Beginning of Year	<u>787,252</u>	<u>737,897</u>
Fund Balance at End of Year	<u><u>\$ 834,981</u></u>	<u><u>\$ 787,252</u></u>

CITY OF COON RAPIDS, MINNESOTA

PARK IMPROVEMENT BONDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
General property taxes	\$ 1,204,975	\$ 1,203,164
Investment income	<u>3,689</u>	<u>16,422</u>
Total Revenues	<u>1,208,664</u>	<u>1,219,586</u>
Expenditures:		
Principal retirement	315,000	
Interest and fiscal charges	<u>180,817</u>	
Total Expenditures	<u>495,817</u>	
Excess of Revenues over Expenditures	<u>712,847</u>	<u>1,219,586</u>
Other Financing Uses:		
Transfers out	<u>(900,000)</u>	<u>(1,150,000)</u>
Net Change in Fund Balances	(187,153)	69,586
Fund Balance at Beginning of Year	<u>613,554</u>	<u>543,968</u>
Fund Balance at End of Year	<u><u>\$ 426,401</u></u>	<u><u>\$ 613,554</u></u>

CITY OF COON RAPIDS, MINNESOTA

EXHIBIT E-6

EQUIPMENT CERTIFICATES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
General property taxes	\$ 173,246	\$ 238,584
Investment income	<u>398</u>	<u>1,450</u>
Total Revenues	<u>173,644</u>	<u>240,034</u>
Other Financing Uses:		
Transfers out	<u>(173,227)</u>	<u>(238,600)</u>
Net Change in Fund Balances	417	1,434
Fund Balance at Beginning of Year	<u>17,459</u>	<u>16,025</u>
Fund Balance at End of Year	<u><u>\$ 17,876</u></u>	<u><u>\$ 17,459</u></u>

Reader's Notes:

CAPITAL PROJECTS NONMAJOR FUNDS

Facilities Construction Fund - Established to account for the construction of new City facilities including the City Center complex and fire station.

Equipment Certificate Fund - Established to account for the purchase of major capital outlay items financed with equipment certificates.

Street Reconstruction Fund - Established to administer funds dedicated to restoring aging and deteriorating streets.

Capital Equipment Fund - Established to account for major capital outlay purchases.

Sidewalk Construction Fund - Established to administer funds dedicated to design and construct City sidewalks.

Riverdale Area Fund - Established to account for the construction of infrastructure improvements for the Riverdale area project.

CITY OF COON RAPIDS, MINNESOTA

**CAPITAL PROJECTS NONMAJOR FUNDS
COMBINING BALANCE SHEET**

DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Facilities Construction Fund	Equipment Certificate Fund	Street Reconstruction Fund	Capital Equipment Fund
Assets				
Cash and investments	\$ 1,621,418		\$ 1,475,851	\$ 518,429
Taxes receivable:				
Current			6,192	6,883
Delinquent			8,859	12,987
Accounts receivable				
Accrued interest receivable	200		5,300	1,381
Notes receivable	102,915			
Advance to other funds	75,840		510,627	749,999
	<u>1,800,373</u>		<u>2,006,829</u>	<u>1,289,679</u>
Total Assets	<u>\$ 1,800,373</u>	<u>\$</u>	<u>\$ 2,006,829</u>	<u>\$ 1,289,679</u>
Liabilities				
Accounts payable	\$ 41,278		\$	\$ 6,563
Salaries payable			15,900	
Contracts payable			21,429	
Advance from other funds		\$ 749,999		
	<u>41,278</u>	<u>749,999</u>	<u>37,329</u>	<u>6,563</u>
Total Liabilities	<u>41,278</u>	<u>749,999</u>	<u>37,329</u>	<u>6,563</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes			8,859	12,987
Unavailable revenue - other	102,915			
	<u>102,915</u>		<u>8,859</u>	<u>12,987</u>
Total Deferred Inflows of Resources	<u>102,915</u>		<u>8,859</u>	<u>12,987</u>
Fund Balances				
Committed:				
Development of projects	1,656,180		1,960,641	1,270,129
Unassigned		(749,999)		
	<u>1,656,180</u>	<u>(749,999)</u>	<u>1,960,641</u>	<u>1,270,129</u>
Total Fund Balance (Deficit)	<u>1,656,180</u>	<u>(749,999)</u>	<u>1,960,641</u>	<u>1,270,129</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,800,373</u>	<u>\$</u>	<u>\$ 2,006,829</u>	<u>\$ 1,289,679</u>

EXHIBIT F-1

Sidewalk Construction Fund	Riverdale Area Fund	Totals	
		2016	2015
\$ 470,658	\$ 1,241,166	\$ 5,327,522	\$ 4,627,097
961		14,036	13,323
60		21,906	20,815
			1,280
1,257	3,314	11,452	13,566
		102,915	186,610
		1,336,466	1,030,422
<u>\$ 472,936</u>	<u>\$ 1,244,480</u>	<u>\$ 6,814,297</u>	<u>\$ 5,893,113</u>
		\$ 47,841	\$ 38,383
		15,900	14,765
		21,429	
		749,999	917,642
		835,169	970,790
60		21,906	20,815
		102,915	186,610
60		124,821	207,425
<u>\$ 472,876</u>	<u>\$ 1,244,480</u>	<u>6,604,306</u>	<u>5,632,540</u>
		(749,999)	(917,642)
<u>472,876</u>	<u>1,244,480</u>	<u>5,854,307</u>	<u>4,714,898</u>
<u>\$ 472,936</u>	<u>\$ 1,244,480</u>	<u>\$ 6,814,297</u>	<u>\$ 5,893,113</u>

CITY OF COON RAPIDS, MINNESOTA

CAPITAL PROJECTS NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

	Facilities Construction Fund	Equipment Certificate Fund	Street Reconstruction Fund	Capital Equipment Fund
Revenues:				
General property taxes			\$ 793,891	\$ 880,547
Investment income (charges)	\$ 12,855	\$ (5,585)	10,579	6,818
Other	83,695		308,577	170,087
Total Revenues	<u>96,550</u>	<u>(5,585)</u>	<u>1,113,047</u>	<u>1,057,452</u>
Expenditures:				
Personal services			556,581	
Other charges and services	41,724		537,560	
Capital outlay and improvements	310,093			1,034,479
Total Expenditures	<u>351,817</u>		<u>1,094,141</u>	<u>1,034,479</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(255,267)</u>	<u>(5,585)</u>	<u>18,906</u>	<u>22,973</u>
Other Financing Sources (Uses)				
Transfers in	1,040,000	173,228	393,328	44,396
Transfers out	(283,000)			
Total Other Financing Sources (Uses)	<u>757,000</u>	<u>173,228</u>	<u>393,328</u>	<u>44,396</u>
Net Change in Fund Balances	501,733	167,643	412,234	67,369
Fund Balance (Deficit) at Beginning of Year	<u>1,154,447</u>	<u>(917,642)</u>	<u>1,548,407</u>	<u>1,202,760</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1,656,180</u>	<u>\$ (749,999)</u>	<u>\$ 1,960,641</u>	<u>\$ 1,270,129</u>

EXHIBIT F-2

Sidewalk Construction Fund	Riverdale Area Fund	Totals	
		2016	2015
\$ 123,672		\$ 1,798,110	\$ 1,747,469
3,646	\$ 8,708	37,021	97,960
		562,359	412,417
127,318	8,708	2,397,490	2,257,846
		556,581	468,694
90		579,374	813,869
145,506		1,490,078	1,407,568
145,596		2,626,033	2,690,131
(18,278)	8,708	(228,543)	(432,285)
		1,650,952	841,916
		(283,000)	(1,200,000)
		1,367,952	(358,084)
(18,278)	8,708	1,139,409	(790,369)
491,154	1,235,772	4,714,898	5,505,267
\$ 472,876	\$ 1,244,480	\$ 5,854,307	\$ 4,714,898

CITY OF COON RAPIDS, MINNESOTA

FACILITIES CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
Investment income	\$ 12,855	\$ 46,344
Other	<u>83,695</u>	<u>71,051</u>
Total Revenues	<u>96,550</u>	<u>117,395</u>
Expenditures:		
Personal services		4,347
Other charges and services	41,724	118,299
Capital outlay and improvements	<u>310,093</u>	<u>458,294</u>
Total Expenditures	<u>351,817</u>	<u>580,940</u>
Deficiency of Revenues over Expenditures	(255,267)	(463,545)
Other Financing Sources (Uses):		
Transfers in	1,040,000	300,000
Transfers out	<u>(283,000)</u>	<u>(1,200,000)</u>
Total Other Financing Sources (Uses)	<u>757,000</u>	<u>(900,000)</u>
Net Change in Fund Balances	501,733	(1,363,545)
Fund Balance at Beginning of Year	<u>1,154,447</u>	<u>2,517,992</u>
Fund Balance at End of Year	<u><u>\$ 1,656,180</u></u>	<u><u>\$ 1,154,447</u></u>

CITY OF COON RAPIDS, MINNESOTA

EQUIPMENT CERTIFICATE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
Investment income (charges)	\$ (5,585)	\$ (20,812)
Other Financing Sources:		
Transfers in	<u>173,228</u>	<u>238,600</u>
Net Change in Fund Balances	167,643	217,788
Fund Deficit at Beginning of Year	<u>(917,642)</u>	<u>(1,135,430)</u>
Fund Deficit at End of Year	<u><u>\$ (749,999)</u></u>	<u><u>\$ (917,642)</u></u>

CITY OF COON RAPIDS, MINNESOTA

STREET RECONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
General property taxes	\$ 793,891	\$ 767,528
Investment income	10,579	23,237
Other	308,577	273,117
Total Revenues	<u>1,113,047</u>	<u>1,063,882</u>
Expenditures:		
Personal services	556,581	464,347
Other charges and services	537,560	695,242
Total Expenditures	<u>1,094,141</u>	<u>1,159,589</u>
Excess (Deficiency) of Revenues over Expenditures	<u>18,906</u>	<u>(95,707)</u>
Other Financing Sources:		
Transfers in	393,328	303,316
Net Change in Fund Balances	412,234	207,609
Fund Balance at Beginning of Year	<u>1,548,407</u>	<u>1,340,798</u>
Fund Balance at End of Year	<u>\$ 1,960,641</u>	<u>\$ 1,548,407</u>

CITY OF COON RAPIDS, MINNESOTA

CAPITAL EQUIPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
General property taxes	\$ 880,547	\$ 854,515
Investment income	6,818	17,550
Other	<u>170,087</u>	<u>68,249</u>
Total Revenues	<u>1,057,452</u>	<u>940,314</u>
Expenditures:		
Capital outlay and improvements	<u>1,034,479</u>	<u>928,833</u>
Excess of Revenues over Expenditures	22,973	11,481
Other Financing Sources:		
Transfers in	<u>44,396</u>	
Net change in Fund Balances	67,369	11,481
Fund Balance at Beginning of Year	<u>1,202,760</u>	<u>1,191,279</u>
Fund Balance at End of Year	<u><u>\$ 1,270,129</u></u>	<u><u>\$ 1,202,760</u></u>

CITY OF COON RAPIDS, MINNESOTA

SIDEWALK CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
General property taxes	\$ 123,672	\$ 125,426
Investment income	<u>3,646</u>	<u>8,024</u>
Total Revenues	<u>127,318</u>	<u>133,450</u>
Expenditures:		
Other charges and services	90	106
Capital outlay and improvements	<u>145,506</u>	<u>20,441</u>
Total Expenditures	<u>145,596</u>	<u>20,547</u>
Net Change in Fund Balances	(18,278)	112,903
Fund Balance at Beginning of Year	<u>491,154</u>	<u>378,251</u>
Fund Balance at End of Year	<u><u>\$ 472,876</u></u>	<u><u>\$ 491,154</u></u>

CITY OF COON RAPIDS, MINNESOTA

RIVERDALE AREA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
Investment income	\$ 8,708	\$ 23,617
Expenditures:		
Other charges and services		222
Net Change in Fund Balances	8,708	23,395
Fund Balance at Beginning of Year	1,235,772	1,212,377
Fund Balance at End of Year	<u>\$ 1,244,480</u>	<u>\$ 1,235,772</u>

Reader's Notes:

OTHER COMPARATIVE INFORMATION

CITY OF COON RAPIDS, MINNESOTA

SCHEDULE OF IMPROVEMENT BONDS
BALANCE SHEETS BY BOND YEAR

DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Special Assessment Bonds	G.O. Improvement Bonds of 1993	G.O. Improvement Bonds of 1995	G.O. Improvement Bonds of 1996	G.O. Improvement Bonds of 1997	G.O. Improvement Bonds of 1998	Improvement Bonds of 1999/2000
Assets							
Cash and investments	\$ 404,334		\$ 277,879	\$ 166,786	\$ 128,098	\$ 123,434	\$ 107,930
Taxes receivable:							
Current	172						
Delinquent	8,441						
Accrued interest receivable	1,079		742	445	342	330	289
Due from other governments							
Special assessments receivable:							
Current				514			29
Delinquent	273,049		37,868	72,706	823	2,053	607
Deferred			1,929	13,179	21,133	13,364	14,771
Other		\$ 5,000	8,445	853	11,112	20,358	25,079
Total Assets	<u>\$ 687,075</u>	<u>\$ 5,000</u>	<u>\$ 326,863</u>	<u>\$ 254,483</u>	<u>\$ 161,508</u>	<u>\$ 159,539</u>	<u>\$ 148,705</u>
Deferred Inflows of Resources							
Unavailable revenue - property taxes	\$ 8,441						
Unavailable revenue - special assessments	273,049	\$ 5,000	\$ 48,242	\$ 86,738	\$ 33,068	\$ 35,775	\$ 40,457
Total Deferred Inflows of Resources	<u>281,490</u>	<u>5,000</u>	<u>48,242</u>	<u>86,738</u>	<u>33,068</u>	<u>35,775</u>	<u>40,457</u>
Fund Balances							
Restricted:							
Debt service							
Committed:							
Development of projects	405,585		278,621	167,745	128,440	123,764	108,248
Total Fund Balance	<u>405,585</u>		<u>278,621</u>	<u>167,745</u>	<u>128,440</u>	<u>123,764</u>	<u>108,248</u>
Total Deferred Inflows of Resources and Fund Balances	<u>\$ 687,075</u>	<u>\$ 5,000</u>	<u>\$ 326,863</u>	<u>\$ 254,483</u>	<u>\$ 161,508</u>	<u>\$ 159,539</u>	<u>\$ 148,705</u>

EXHIBIT G-1

G.O. Improvement Bonds of 2002	G.O. Improvement Bonds of 2005	G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2010	G.O. Improvement Bonds of 2013A	G.O. Improvement Bonds of 2013B	G.O. Improvement Bonds of 2014/2015	G.O. Improvement Bonds of 2016	Totals	
								2016	2015
	\$ 510,693	\$ 234,775	\$ 622,176	\$ 1,169,379	\$ 484,825	\$ 1,250,131	\$ 47,842	\$ 5,528,282	\$ 4,929,102
		1,214	669	1,470	1,565	3,836		8,926	8,200
		4,215	(1,841)	(3,758)	(1,102)	(182)		5,773	5,243
	1,362	625	1,660	3,119	1,292	3,330	129	14,744	9,658
	1,616							1,616	5,021
		1,661	1,685	8,128	1,485	5,509		19,011	8,027
\$ 617	933	2,019	1,626	9,067	1,639	2,594		405,601	421,392
	359,910	85,583	387,361	645,983	929,555	2,052,693	1,723,489	6,248,950	5,590,080
	136,970	33,629						241,446	253,509
<u>\$ 617</u>	<u>\$ 1,011,484</u>	<u>\$ 363,721</u>	<u>\$ 1,013,336</u>	<u>\$ 1,833,388</u>	<u>\$ 1,419,259</u>	<u>\$ 3,317,911</u>	<u>\$ 1,771,460</u>	<u>\$ 12,474,349</u>	<u>\$ 11,230,232</u>
\$ 617	\$ 497,813	\$ 4,215	\$ (1,841)	\$ (3,758)	\$ (1,102)	\$ (182)		\$ 5,773	\$ 5,243
		121,231	388,987	655,050	931,194	2,055,287	1,723,489	6,895,997	6,264,981
617	497,813	125,446	387,146	651,292	930,092	2,055,105	1,723,489	6,901,770	6,270,224
		238,275	626,190	1,182,096	489,167	1,262,806	47,971	3,846,505	3,420,865
	513,671							1,726,074	1,539,143
	513,671	238,275	626,190	1,182,096	489,167	1,262,806	47,971	5,572,579	4,960,008
<u>\$ 617</u>	<u>\$ 1,011,484</u>	<u>\$ 363,721</u>	<u>\$ 1,013,336</u>	<u>\$ 1,833,388</u>	<u>\$ 1,419,259</u>	<u>\$ 3,317,911</u>	<u>\$ 1,771,460</u>	<u>\$ 12,474,349</u>	<u>\$ 11,230,232</u>

CITY OF COON RAPIDS, MINNESOTA

**SCHEDULE OF IMPROVEMENT BONDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BY BOND YEAR
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)**

	Special Assessment Bonds	G.O. Improvement Bonds of 1993	G.O. Improvement Bonds of 1995	G.O. Improvement Bonds of 1996	G.O. Improvement Bonds of 1997	G.O. Improvement Bonds of 1998	G.O. Improvement Bonds of 1999/2000
Revenues:							
General property taxes	\$ 19,788						
Special assessments	2,206	\$ 171	\$ 10,714	\$ 14,548	\$ 11,768	\$ 2,580	\$ 4,498
Investment income	2,705	363	1,879	1,096	829	850	732
Intergovernmental							
Total Revenues	<u>24,699</u>	<u>534</u>	<u>12,593</u>	<u>15,644</u>	<u>12,597</u>	<u>3,430</u>	<u>5,230</u>
Expenditures:							
Principal retirement							
Interest and fiscal charges							
Other	<u>16,406</u>						
Total Expenditures	<u>16,406</u>						
Excess (Deficiency) of Revenues over Expenditures	<u>8,293</u>	<u>534</u>	<u>12,593</u>	<u>15,644</u>	<u>12,597</u>	<u>3,430</u>	<u>5,230</u>
Other Financing Sources (Uses):							
Transfers in*	18,863						
Transfers out*	<u></u>	<u>(34,387)</u>					
Total Other Financing Sources (Uses)	<u>18,863</u>	<u>(34,387)</u>					
Net Change in Fund Balances	27,156	(33,853)	12,593	15,644	12,597	3,430	5,230
Fund Balance at Beginning of Year	<u>378,429</u>	<u>33,853</u>	<u>266,028</u>	<u>152,101</u>	<u>115,843</u>	<u>120,334</u>	<u>103,018</u>
Fund Balance at End of Year	<u>\$ 405,585</u>	<u>\$</u>	<u>\$ 278,621</u>	<u>\$ 167,745</u>	<u>\$ 128,440</u>	<u>\$ 123,764</u>	<u>\$ 108,248</u>

*A transfer of \$18,863 between Special Assessment Bonds and the G.O. Improvement Bonds of 2008 has been eliminated from the Improvement Bonds in the Basic Financial Statements.

EXHIBIT G-2

G.O. Improvement Bonds of 2002	G.O. Improvement Bonds of 2005	G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2010	G.O. Improvement Bonds of 2013A	G.O. Improvement Bonds of 2013B	G.O. Improvement Bonds of 2014/2015	G.O. Improvement Bonds of 2016	Totals	
								2016	2015
\$ 75	\$ 149,667 2,783	\$ 153,380 64,467 896	\$ 84,272 144,920 3,637	\$ 187,945 220,603 6,672	\$ 202,876 187,649 1,924	\$ 499,397 513,828 4,642	\$ 493,681 1,723	\$ 1,147,658 1,821,375 30,731	\$ 1,140,036 1,767,658 65,476 362,100
75	152,450	218,743	232,829	415,220	392,449	1,017,867	495,404	2,999,764	3,335,270
		145,000 23,370 500	305,000 35,775	370,000 53,300	280,000 76,725	400,000 190,906		1,500,000 380,076 16,906	2,550,000 306,432 22,411
		168,870	340,775	423,300	356,725	590,906		1,896,982	2,878,843
75	152,450	49,873	(107,946)	(8,080)	35,724	426,961	495,404	1,102,782	456,427
(8,391)		(18,863)					(447,433)	18,863 (509,074)	816,471 (816,471)
(8,391)		(18,863)					(447,433)	(490,211)	
(8,316)	152,450	31,010	(107,946)	(8,080)	35,724	426,961	47,971	612,571	456,427
8,316	361,221	207,265	734,136	1,190,176	453,443	835,845		4,960,008	4,503,581
<u>\$</u>	<u>\$ 513,671</u>	<u>\$ 238,275</u>	<u>\$ 626,190</u>	<u>\$ 1,182,096</u>	<u>\$ 489,167</u>	<u>\$ 1,262,806</u>	<u>\$ 47,971</u>	<u>\$ 5,572,579</u>	<u>\$ 4,960,008</u>

CITY OF COON RAPIDS, MINNESOTA

**SCHEDULE OF SPECIAL ASSESSMENT CAPITAL PROJECT FUNDS
BALANCE SHEETS BY BOND YEAR**

DECEMBER 31, 2016

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)

	Revolving Construction	2014/2015 Bonded Projects	2016 Bonded Projects	2017 Bonded Projects	Totals	
					2016	2015
Assets						
Cash and investments	\$ 7,448,226	\$ 231,240	\$ 2,129,418	\$ (56,982)	\$ 9,751,902	\$ 10,148,416
Special assessments receivable:						
Current	7,112				7,112	7,685
Delinquent	50,132				50,132	48,935
Deferred	2,105,516				2,105,516	1,271,077
Other	792,384				792,384	793,216
Accounts receivable	2,135	2,074			4,209	2,739
Accrued interest	26,413		5,664	(152)	31,925	36,448
Due from other governments	2,489	9,050	32,500		44,039	11,181
Advance to other funds	1,577,398				1,577,398	1,756,269
Total Assets	\$ 12,011,805	\$ 242,364	\$ 2,167,582	\$ (57,134)	\$ 14,364,617	\$ 14,075,966
Liabilities						
Accounts payable	\$ 23,101		\$ 615	\$ 2,557	\$ 26,273	\$ 22,480
Contracts payable	76,285	\$ 242,364	701,886		1,020,535	572,699
Due to other governments	820,169		387		820,556	
Total Liabilities	919,555	242,364	702,888	2,557	1,867,364	595,179
Deferred Inflows of Resources						
Unavailable revenue - special assessments	2,948,032				2,948,032	2,113,228
Grants for subsequent years - MSA	3,998,047				3,998,047	
Total Deferred Inflows of Resources	6,946,079				6,946,079	2,113,228
Fund Balances						
Committed:						
Development of projects	4,146,171		1,464,694	(59,691)	5,551,174	11,367,559
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,011,805	\$ 242,364	\$ 2,167,582	\$ (57,134)	\$ 14,364,617	\$ 14,075,966

CITY OF COON RAPIDS, MINNESOTA

**SCHEDULE OF SPECIAL ASSESSMENT CAPITAL PROJECT FUNDS
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BY BOND YEAR
YEAR ENDED DECEMBER 31, 2016**

(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2015)

	Revolving Construction	2014/2015 Bonded Projects	2016 Bonded Projects	2017 Bonded Projects	Totals	
					2016	2015
Revenues:						
Special assessments	\$ 417,089			\$	417,089	\$ 442,445
Investment income (charges)	96,943	\$ 24,477	\$ (13,300)	\$ (28)	108,092	237,781
Intergovernmental	37,059		2,374,594		2,411,653	2,743,917
Other	2,493				2,493	18,971
Total Revenues	553,584	24,477	2,361,294	(28)	2,939,327	3,443,114
Expenditures:						
Personal services	2,841				2,841	2,082
Other charges	1,653,327		5,012		1,658,339	588,231
Bond issuance costs			30,820		30,820	18,626
Capital improvements		48,867	8,862,041	59,663	8,970,571	5,230,053
Total Expenditures	1,656,168	48,867	8,897,873	59,663	10,662,571	5,838,992
Deficiency of Revenues over Expenditures	(1,102,584)	(24,390)	(6,536,579)	(59,691)	(7,723,244)	(2,395,878)
Other Financing Sources (Uses):						
Bond issuance			4,950,000		4,950,000	3,105,000
Premiums on bonds issued			346,701		346,701	167,109
Transfers in	42,778		2,840,051		2,882,829	650,986
Transfers out	(968,957)	(1,849,143)			(2,818,100)	(971,230)
Total Other Financing Sources (Uses)	(926,179)	(1,849,143)	8,136,752		5,361,430	2,951,865
Net Change in Fund Balances	(2,028,763)	(1,873,533)	1,600,173	(59,691)	(2,361,814)	555,987
Fund Balance at Beginning of Year, As Previously Stated	9,629,505	1,873,533	(135,479)		11,367,559	10,811,572
Prior Period Adjustment	(3,454,571)				(3,454,571)	
Fund Balance at Beginning of Year, Restated	6,174,934	1,873,533	(135,479)		7,912,988	10,811,572
Fund Balance (Deficit) at End of Year	\$ 4,146,171	\$	\$ 1,464,694	\$ (59,691)	\$ 5,551,174	\$ 11,367,559

*A transfer of \$543,475 between the Revolving Construction Fund and the 2016 Bonded Project Fund, and a transfer of \$1,849,143 between the 2015 Bonded Project Fund and the 2016 Bonded Project Fund have been eliminated from the Special Assessment Fund in the Basic Financial Statements.

EXHIBIT I

CITY OF COON RAPIDS, MINNESOTA

PARK IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Revenues:		
General property taxes	\$ 361,098	\$ 341,726
Investment income (charges)	(2,877)	10,092
Intergovernmental		65,000
Platting fees	40,700	233,660
Other		37,505
	<u>398,921</u>	<u>687,983</u>
Total Revenues		
	<u>398,921</u>	<u>687,983</u>
Expenditures:		
Personal services	20,010	29,060
Other charges and services	20,605	13,664
Bond issuance costs	4,576	33,123
Capital outlay and improvements	3,475,495	7,161,970
	<u>3,520,686</u>	<u>7,237,817</u>
Total Expenditures		
	<u>3,520,686</u>	<u>7,237,817</u>
Deficiency of Revenues over Expenditures	(3,121,765)	(6,549,834)
Other Financing Sources:		
Bond Issuance	735,000	5,295,000
Premium on bonds issued	40,288	191,956
Transfers in	1,183,000	2,350,000
	<u>1,958,288</u>	<u>7,836,956</u>
Total Other Financing Sources		
	<u>1,958,288</u>	<u>7,836,956</u>
Net Change in Fund Balances	(1,163,477)	1,287,122
Fund Balance (Deficit) at Beginning of Year	<u>129,030</u>	<u>(1,158,092)</u>
Fund Balance (Deficit) at End of Year	<u>\$ (1,034,447)</u>	<u>\$ 129,030</u>

CITY OF COON RAPIDS, MINNESOTA

EXHIBIT J

**HOUSING AND REDEVELOPMENT AUTHORITY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

YEAR ENDED DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016	2015
Revenues:		
General property taxes	\$ 720,987	\$ 718,608
Tax increments	195,104	190,799
Investment income	160,243	266,236
Intergovernmental	8	7,668
Payments on notes	60,429	150,749
Other	72,560	251,353
Total Revenues	<u>1,209,331</u>	<u>1,585,413</u>
Expenditures:		
Personal services	189,076	186,225
Other charges and services	1,167,486	1,844,385
Capital outlay	241,445	
Total Expenditures	<u>1,598,007</u>	<u>2,030,610</u>
Deficiency of Revenues over Expenditures	<u>(388,676)</u>	<u>(445,197)</u>
Other Financing Sources (Uses):		
Sale of capital assets		1,054,000
Transfers in	2,028,995	3,951,993
Transfers out		(638)
Total Other Financing Sources (Uses)	<u>2,028,995</u>	<u>5,005,355</u>
Net Change in Fund Balances	1,640,319	4,560,158
Fund Balance at Beginning of Year	<u>22,499,543</u>	<u>17,939,385</u>
Fund Balance at End of Year	<u><u>\$ 24,139,862</u></u>	<u><u>\$ 22,499,543</u></u>

Reader's Notes:

WATER FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2015)

	2016	2015
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,184,985	\$ 1,301,309
Investments	3,135,648	3,391,218
Accounts receivable	1,319,301	1,152,486
Accrued interest receivable	11,509	11,332
Special assessments receivable:		
Current	13,072	11,053
Delinquent	82,463	86,681
Deferred	655,885	620,212
Inventories	15,454	17,781
Due from other governments	2,970	4,542
Prepaid items	7,827	12,382
Total Current Assets	<u>6,429,114</u>	<u>6,608,996</u>
Noncurrent Assets:		
Capital Assets:		
Land	371,408	371,408
Buildings and structures	35,024,879	34,344,584
Furniture, machinery and equipment	2,653,261	2,807,899
Other improvements	8,344,054	8,344,054
Infrastructure	45,000,288	39,862,058
Construction in progress	3,444,097	2,275,390
Total Capital Assets	94,837,987	88,005,393
Less: accumulated depreciation	<u>(35,488,950)</u>	<u>(34,074,559)</u>
Total Capital Assets (net of accumulated depreciation)	<u>59,349,037</u>	<u>53,930,834</u>
Total Assets	<u>65,778,151</u>	<u>60,539,830</u>
Deferred Outflows of Resources		
Pension plan deferments - PERA	<u>221,273</u>	<u>47,375</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 65,999,424</u></u>	<u><u>\$ 60,587,205</u></u>
Liabilities		
Current Liabilities:		
Accounts payable	\$ 127,154	\$ 171,953
Salaries payable	32,900	32,630
Contracts payable		8,938
Compensated absences	22,634	3,346
Due to other governments	2,398,989	66,786
Accrued interest payable	163,356	186,807
Current maturities of long-term debt	1,855,000	1,655,000
Total Current Liabilities	<u>4,600,033</u>	<u>2,125,460</u>
Noncurrent Liabilities:		
Compensated absences	39,194	62,925
Net pension liability	531,990	343,083
Bonds payable (net of current maturities and unamortized (discount)/premium: \$528,094 in 2016; \$303,108 in 2015)	<u>15,303,094</u>	<u>13,098,108</u>
Total Noncurrent Liabilities	<u>15,874,278</u>	<u>13,504,116</u>
Total Liabilities	<u>20,474,311</u>	<u>15,629,576</u>
Deferred Inflows of Resources		
Pension plan deferments - PERA	<u>60,258</u>	<u>38,718</u>
Net Position		
Net investment in capital assets	42,190,943	39,177,726
Unrestricted	<u>3,273,912</u>	<u>5,741,185</u>
Total Net Position	<u>45,464,855</u>	<u>44,918,911</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 65,999,424</u></u>	<u><u>\$ 60,587,205</u></u>

CITY OF COON RAPIDS, MINNESOTA

EXHIBIT K-2

WATER FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Operating Revenues:		
Water charges	\$ 5,950,460	\$ 5,419,015
Miscellaneous	<u>4,273</u>	<u>33,459</u>
Total Operating Revenues	<u>5,954,733</u>	<u>5,452,474</u>
Operating Expenses:		
Personal services	900,039	887,454
Other charges and services	1,953,231	2,138,578
Supplies	206,103	235,467
Depreciation	<u>1,982,402</u>	<u>1,920,320</u>
Total Operating Expenses	<u>5,041,775</u>	<u>5,181,819</u>
Operating Income	<u>912,958</u>	<u>270,655</u>
Nonoperating Revenues (Expenses):		
Investment income	19,219	76,069
Sale of water meters	21,880	34,095
Gain (Loss) on disposal of capital assets	4,765	(100,185)
Interest and fiscal charges	(363,582)	(378,244)
Purchase and repair of water meters	<u>(49,296)</u>	<u>(35,981)</u>
Total Nonoperating Revenues (Expenses)	<u>(367,014)</u>	<u>(404,246)</u>
Changes in net position	<u>545,944</u>	<u>(133,591)</u>
Net Position at Beginning of Year	<u>44,918,911</u>	<u>45,052,502</u>
Net Position at End of Year	<u><u>\$ 45,464,855</u></u>	<u><u>\$ 44,918,911</u></u>

CITY OF COON RAPIDS, MINNESOTA

EXHIBIT K-3

WATER FUND
STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016	2015
Increase (Decrease) in Cash and Cash Equivalents		
Cash flows from operating activities:		
Cash received from customers	\$ 5,756,016	\$ 5,454,995
Cash paid to employees for services	(867,663)	(926,556)
Cash paid to suppliers for goods and services	(2,201,981)	(2,345,095)
Net cash provided by operating activities	2,686,372	2,183,344
Cash flows from noncapital financing activities:		
Sale of water meters	21,880	34,095
Purchase and repair of water meters	(49,296)	(35,981)
Net cash used by noncapital financing activities	(27,416)	(1,886)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets*	(5,072,610)	(2,405,435)
Proceeds from sale of capital assets	4,765	58,995
Bond proceeds (net of issuance costs)*	3,811,122	1,589,170
Premium on bond proceeds	268,886	85,809
Principal paid on revenue bonds	(1,655,000)	(1,195,000)
Interest paid on revenue bonds	(407,055)	(362,296)
Net cash used by capital and related financing activities	(3,049,892)	(2,228,757)
Cash flows from investing activities:		
Sale of investments	255,570	
Purchase of investments		(476,050)
Interest on investments	19,042	72,453
Net cash provided (used) by investing activities:	274,612	(403,597)
Net decrease in cash and cash equivalents	(116,324)	(450,896)
Cash and cash equivalents at beginning of year	1,301,309	1,752,205
Cash and cash equivalents at end of year	<u>\$ 1,184,985</u>	<u>\$ 1,301,309</u>
Reconciliation of Operating Income to Net Cash		
 Provided by Operating Activities		
Operating income	\$ 912,958	\$ 270,655
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,982,402	1,920,320
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) in accounts receivable	(166,815)	(58,886)
(Increase) decrease in due from other governments	1,572	(4,542)
(Increase) decrease in prepaid items	4,555	(1,696)
(Increase) decrease in special assessments receivable	(33,474)	65,949
(Increase) decrease in inventories	2,327	(3,604)
(Increase) in deferred outflows of resources	(173,898)	(33,428)
Increase (decrease) in accounts payable	(50,707)	35,538
Increase (decrease) in salaries payable	270	(26,450)
(Decrease) in compensated absences	(4,443)	(21,490)
Increase (decrease) in due to other governments	1,178	(1,288)
Increase in net pension liability	188,907	3,548
Increase in deferred inflows of resources	21,540	38,718
Total adjustments	1,773,414	1,912,689
Net cash provided by operating activities	<u>\$ 2,686,372</u>	<u>\$ 2,183,344</u>

*All bond proceeds were expended during 2016 on acquisitions of capital assets.

See Proprietary Funds Statement of Cash Flows (Exhibit B-9) for information on non-cash investing, capital, and financing activities.

SEWER FUND
STATEMENT OF NET POSITION
 DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2015)

	2016	2015
Assets		
Current Assets:		
Cash and cash equivalents	\$ 881,550	\$ 1,336,424
Investments	2,332,716	3,482,728
Accounts receivable	1,311,415	1,279,878
Accrued interest receivable	8,595	16,407
Advance to other funds current	747,740	327,983
Due from other governments	7,836	7,664
Prepaid items	7,747	6,181
Total Current Assets	5,297,599	6,457,265
Noncurrent Assets:		
Capital Assets:		
Buildings and structures	4,517,396	4,401,667
Furniture, machinery and equipment	1,244,622	1,275,632
Other improvements	118,047	118,047
Infrastructure	42,780,042	41,684,452
Construction in progress	1,356,339	1,071,917
Total Capital Assets	50,016,446	48,551,715
Less: accumulated depreciation	(16,924,623)	(16,299,124)
Total Capital Assets (net of accumulated depreciation)	33,091,823	32,252,591
Total Assets	38,389,422	38,709,856
Deferred Outflows of Resources		
Pension plan deferments - PERA	387,228	82,906
Total Assets and Deferred Outflows of Resources	\$ 38,776,650	\$ 38,792,762
Liabilities		
Current Liabilities:		
Accounts payable	\$ 10,690	\$ 9,142
Salaries payable	19,309	17,503
Contracts payable	57,994	335,484
Due to other governments	9,617	16,621
Total Current Liabilities	97,610	378,750
Noncurrent Liabilities:		
Compensated absences	59,573	53,750
Net pension liability	930,983	600,396
Total Noncurrent Liabilities	990,556	654,146
Total Liabilities	1,088,166	1,032,896
Deferred Inflows of Resources		
Pension plan deferments - PERA	105,452	67,756
Net Position		
Net investment in capital assets	33,091,823	32,252,591
Unrestricted	4,491,209	5,439,519
Total Net Position	37,583,032	37,692,110
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 38,776,650	\$ 38,792,762

CITY OF COON RAPIDS, MINNESOTA

SEWER FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Operating Revenues:		
Sewer charges	\$ 6,470,596	\$ 6,200,047
Miscellaneous	<u>517</u>	<u>579</u>
Total Operating Revenues	<u>6,471,113</u>	<u>6,200,626</u>
Operating Expenses:		
Personal services	667,678	636,704
Other charges and services	661,456	654,559
Supplies	46,903	36,397
Disposal charges	4,361,173	3,916,339
Depreciation	<u>926,428</u>	<u>855,062</u>
Total Operating Expenses	<u>6,663,638</u>	<u>6,099,061</u>
Operating Income (Loss)	<u>(192,525)</u>	<u>101,565</u>
Nonoperating Revenues:		
Investment income	35,382	110,573
Gain on disposal of capital assets	<u>48,065</u>	<u></u>
Total Nonoperating Revenues	<u>83,447</u>	<u>110,573</u>
Changes in net position	<u>(109,078)</u>	<u>212,138</u>
Net Position at Beginning of Year	<u>37,692,110</u>	<u>37,479,972</u>
Net Position at End of Year	<u><u>\$ 37,583,032</u></u>	<u><u>\$ 37,692,110</u></u>

CITY OF COON RAPIDS, MINNESOTA

SEWER FUND
STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>		
Cash flows from operating activities:		
Cash received from customers	\$ 6,439,404	\$ 6,223,382
Cash paid to employees for services	(596,088)	(595,305)
Cash paid to suppliers for goods and services	(5,083,646)	(4,709,061)
Net cash provided by operating activities	<u>759,670</u>	<u>919,016</u>
Cash flows from noncapital financing activities:		
Advance to other funds	(419,757)	(327,983)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,036,058)	(860,719)
Proceeds from the sale of capital assets	48,065	
Net cash used by capital and related financing activities	<u>(1,987,993)</u>	<u>(860,719)</u>
Cash flows from investing activities:		
Purchase of investments		(374,740)
Sale of investments	1,150,012	
Interest on investments	43,194	112,749
Net cash provided (used) by investing activities	<u>1,193,206</u>	<u>(261,991)</u>
Net decrease in cash and cash equivalents	(454,874)	(531,677)
Cash and cash equivalents at beginning of year	<u>1,336,424</u>	<u>1,868,101</u>
Cash and cash equivalents at end of year	<u><u>\$ 881,550</u></u>	<u><u>\$ 1,336,424</u></u>
Reconciliation of Operating Income (Loss) to Net Cash <u>Provided by Operating Activities</u>		
Operating income (loss)	<u>\$ (192,525)</u>	<u>\$ 101,565</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	926,428	855,062
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) decrease in accounts receivable	(31,537)	20,311
(Increase) decrease in due from other governments	(172)	2,445
(Increase) in prepaid items	(1,566)	(1,501)
(Increase) in deferred outflows of resources	(304,322)	(58,499)
(Decrease) in accounts payable	(5,544)	(110,318)
Increase in salaries payable	1,806	3,192
Increase in compensated absences	5,823	22,741
Increase (decrease) in due to other governments	(7,004)	10,053
Increase in net pension liability	330,587	6,209
Increase in deferred inflows of resources	37,696	67,756
Total adjustments	<u>952,195</u>	<u>817,451</u>
Net cash provided by operating activities	<u><u>\$ 759,670</u></u>	<u><u>\$ 919,016</u></u>

See Proprietary Funds Statement of Cash Flows (Exhibit B-9) for information on non-cash investing, capital, and financing activities.

CITY OF COON RAPIDS, MINNESOTA

STORM WATER DRAINAGE FUND
STATEMENT OF NET POSITION

DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2015)

	2016	2015
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,092,240	\$ 1,186,238
Investments	2,890,231	3,091,343
Accounts receivable	254,633	247,787
Accrued interest receivable	10,639	12,372
Due from other governments	8,300	2,020
Prepaid items	7,497	6,062
Total Current Assets	4,263,540	4,545,822
Noncurrent Assets:		
Capital Assets:		
Land	1,115,630	1,115,630
Furniture, machinery and equipment	964,014	964,014
Infrastructure	23,104,134	22,006,219
Construction in progress	196,650	368,667
Total Capital Assets	25,380,428	24,454,530
Less: accumulated depreciation	(14,257,727)	(13,613,512)
Total Capital Assets (net of accumulated depreciation)	11,122,701	10,841,018
Total Assets	15,386,241	15,386,840
Deferred Outflows of Resources		
Pension plan deferments - PERA	110,636	23,687
Total Assets and Deferred Outflows of Resources	\$ 15,496,877	\$ 15,410,527
Liabilities		
Current Liabilities:		
Accounts payable	\$ 15,928	\$ 940
Salaries payable	3,064	5,794
Accrued interest payable	6,474	7,099
Current maturities of long-term debt	80,000	75,000
Total Current Liabilities	105,466	88,833
Noncurrent Liabilities:		
Compensated absences	11,410	8,978
Net pension liability	265,995	171,541
Bonds payable (plus unamortized premium of \$12,427 in 2016; \$13,980 in 2015)	692,427	773,980
Total Noncurrent Liabilities	969,832	954,499
Total Liabilities	1,075,298	1,043,332
Deferred Inflows of Resources		
Pension plan deferments - PERA	30,129	19,359
Net Position		
Net investment in capital assets	10,350,274	9,992,038
Unrestricted	4,041,176	4,355,798
Total Net Position	14,391,450	14,347,836
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 15,496,877	\$ 15,410,527

CITY OF COON RAPIDS, MINNESOTA

STORM WATER DRAINAGE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Operating Revenues:		
Storm drain charges	\$ 1,365,322	\$ 1,362,250
Miscellaneous	289	16,723
	<u>1,365,611</u>	<u>1,378,973</u>
Total Operating Revenues		
Operating Expenses:		
Personal services	300,631	276,937
Other charges and services	337,886	284,738
Supplies	57,421	43,786
Depreciation	644,215	635,957
	<u>1,340,153</u>	<u>1,241,418</u>
Total Operating Expenses		
Operating Income	<u>25,458</u>	<u>137,555</u>
Nonoperating Revenues (expenses):		
Investment income	32,265	83,272
Interest and fiscal charges	(14,109)	(15,531)
	<u>18,156</u>	<u>67,741</u>
Total Nonoperating Revenues (Expenses)		
Change in net position	<u>43,614</u>	<u>205,296</u>
Net Position at Beginning of Year	<u>14,347,836</u>	<u>14,142,540</u>
Net Position at End of Year	<u><u>\$ 14,391,450</u></u>	<u><u>\$ 14,347,836</u></u>

CITY OF COON RAPIDS, MINNESOTA

STORM WATER DRAINAGE FUND
STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016	2015
<u>Increase (Decrease) in Cash and Cash Equivalents</u>		
Cash flows from operating activities:		
Cash received from customers	\$ 1,352,485	\$ 1,366,294
Cash paid to employees for services	(282,654)	(270,683)
Cash paid to suppliers for goods and services	(381,754)	(331,304)
Net cash provided by operating activities	<u>688,077</u>	<u>764,307</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(925,898)	(290,323)
Principal paid on revenue bonds	(75,000)	
Interest paid on revenue bonds	(16,287)	(11,974)
Net cash used by capital and related financing activities:	<u>(1,017,185)</u>	<u>(302,297)</u>
Cash flows from investing activities:		
Purchase of investments		(759,799)
Sale of investments	201,112	
Interest on investments	33,998	82,619
Net cash provided (used) by investing activities	<u>235,110</u>	<u>(677,180)</u>
Net decrease in cash and cash equivalents	(93,998)	(215,170)
Cash and cash equivalents at beginning of year	<u>1,186,238</u>	<u>1,401,408</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,092,240</u></u>	<u><u>\$ 1,186,238</u></u>
Reconciliation of Operating Income to Net Cash <u>Provided by Operating Activities</u>		
Operating income	<u>\$ 25,458</u>	<u>\$ 137,555</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	644,215	635,957
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) in accounts receivable	(6,846)	(12,694)
(Increase) decrease in due from other governments	(6,280)	15
(Increase) in prepaid items	(1,435)	(1,478)
(Increase) in deferred outflows of resources	(86,949)	(16,714)
Increase (decrease) in accounts payable	14,988	(1,302)
Increase (decrease) in salaries payable	(2,730)	2,138
Increase (decrease) in compensated absences	2,432	(303)
Increase in net pension liability	94,454	1,774
Increase in deferred inflows of resources	10,770	19,359
Total adjustments	<u>662,619</u>	<u>626,752</u>
Net cash provided by operating activities	<u><u>\$ 688,077</u></u>	<u><u>\$ 764,307</u></u>

See Proprietary Funds Statement of Cash Flows (Exhibit B-9) for information on non-cash investing, capital, and financing activities.

GOLF FUND
STATEMENT OF NET POSITION

DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2015)

	2016	2015
Assets		
Current Assets:		
Cash and cash equivalents	\$ 420	\$ 420
Accounts receivable	19,459	38,926
Inventories	107,125	91,338
Due from other governments	103,115	106,054
Prepaid items	6,506	5,693
Total Current Assets	236,625	242,431
Noncurrent Assets:		
Capital Assets:		
Land	489,139	489,139
Buildings and structures	11,222,928	11,152,545
Furniture, machinery and equipment	3,210,116	3,192,243
Other improvements	3,543,709	3,475,274
Total Capital Assets	18,465,892	18,309,201
Less: accumulated depreciation	(6,270,708)	(5,540,922)
Total Capital Assets (net of accumulated depreciation)	12,195,184	12,768,279
Total Assets	12,431,809	13,010,710
Deferred Outflows of Resources		
Pension plan deferments - PERA	276,591	59,218
Total Assets and Deferred Outflows of Resources	\$ 12,708,400	\$ 13,069,928
Liabilities		
Current Liabilities:		
Accounts payable	\$ 54,330	\$ 292,511
Salaries payable	25,442	22,251
Contracts payable		38,373
Compensated absences		184
Due to other governments	7,251	27,370
Advance from other funds current	833,700	403,293
Accrued interest payable	43,696	44,373
Deposits payable	165,236	145,957
Current capital leases payable	69,035	67,164
Current maturities of long-term debt	130,000	125,000
Total Current Liabilities	1,328,690	1,166,476
Noncurrent Liabilities:		
Compensated absences	82,043	71,346
Net pension liability	664,987	428,853
Leases payable	168,650	237,684
Advance from other funds long-term	652,650	738,610
Bonds payable (net of current maturities and unamortized (discounts)/premium: (\$29,041) in 2016; (\$31,072) in 2015)	4,250,068	4,378,928
Total Noncurrent Liabilities	5,818,398	5,855,421
Total Liabilities	7,147,088	7,021,897
Deferred Inflows of Resources		
Pension plan deferments - PERA	75,323	48,397
Net Position		
Net investment in capital assets	7,815,116	8,264,351
Unrestricted	(2,329,127)	(2,264,717)
Total Net Position	5,485,989	5,999,634
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 12,708,400	\$ 13,069,928

CITY OF COON RAPIDS, MINNESOTA

EXHIBIT K-11

GOLF FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
Operating Revenues:		
Sales, fees, and charges:		
Green fees	\$ 1,629,907	\$ 1,644,233
Pro Shop	237,918	216,176
Restaurant	4,353,073	2,961,175
Rentals:		
Building	41,848	37,024
Carts	333,991	336,257
Simulator	76,786	71,473
Total sales, fees and charges	6,673,523	5,266,338
Miscellaneous	15,681	4,203
Total Operating Revenues	6,689,204	5,270,541
Operating Expenses:		
Maintenance:		
Personal services	507,980	469,350
Other charges and services	80,801	90,587
Supplies	332,947	293,064
Depreciation	224,693	234,688
Total Maintenance Expenses	1,146,421	1,087,689
Administration:		
Pro Shop cost of goods sold	157,775	151,251
Personal services	441,559	392,584
Other charges and services	454,970	461,828
Supplies	41,190	33,068
Depreciation	279,245	301,334
Total Administration Expenses	1,374,739	1,340,065
Restaurant:		
Restaurant cost of goods sold	1,140,421	805,557
Contracted labor	2,113,736	1,617,856
Other charges and services	781,898	776,874
Supplies	247,062	247,040
Depreciation	225,848	202,192
Total Restaurant Expenses	4,508,965	3,649,519
Total Operating Expenses	7,030,125	6,077,273
Operating Income (Loss)	(340,921)	(806,732)
Nonoperating Revenue (Expenses):		
Investment income (charges)	(4,291)	75
Intergovernmental revenue	27,554	27,371
Intergovernmental revenue restaurant	33,677	36,513
Gain on disposal of capital assets		130,313
Interest and fiscal charges	(112,897)	(119,661)
Interest and fiscal charges restaurant	(116,767)	(104,323)
Total Nonoperating Revenue (Expenses)	(172,724)	(29,712)
Changes in net position	(513,645)	(836,444)
Net Position at Beginning of Year	5,999,634	6,836,078
Net Position at End of Year	\$ 5,485,989	\$ 5,999,634

CITY OF COON RAPIDS, MINNESOTA

GOLF FUND
STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	2016	2015
<u>Increase (Decrease) in Cash and Cash Equivalents</u>		
Cash flows from operating activities:		
Cash received from customers	\$ 6,711,610	\$ 5,254,566
Cash paid to employees for services	(890,148)	(842,726)
Cash paid to suppliers for goods and services	(5,491,717)	(4,585,697)
Net cash provided (used) by operating activities	329,745	(173,857)
Cash flows from noncapital financing activities:		
Advance from other funds	419,757	327,982
Interfund loan - Principal payment	(75,310)	(52,872)
Interfund loan - Interest payment	(18,785)	(4,439)
Interfund loan proceeds	668,000	668,000
Net cash provided (used) by noncapital financing activities	325,662	938,671
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(309,768)	(771,876)
Proceeds from sale of capital assets	7,490	7,490
Principal paid on revenue bonds	(125,000)	(125,000)
Interest paid on revenue bonds	(141,643)	(142,553)
Principal paid on capital lease	(67,163)	(43,762)
Interest paid on capital lease	(7,542)	(6,041)
Net cash used by capital and related financing activities	(651,116)	(1,081,742)
Cash flows from investing activities:		
Interest on investments	(4,291)	1,705
Net increase (decrease) in cash and cash equivalents		(315,223)
Cash and cash equivalents at beginning of year	420	315,643
Cash and cash equivalents at end of year	\$ 420	\$ 420
Reconciliation of Operating Loss to Net Cash <u>Provided (used) by Operating Activities</u>		
Operating loss	\$ (340,921)	\$ (806,732)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	729,786	738,214
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) decrease in accounts receivable	19,467	(13,399)
(Increase) decrease in inventories	(15,787)	47,938
(Increase) decrease in due from other governments	2,939	(2,576)
(Increase) decrease in prepaid items	(813)	21,968
(Increase) in deferred outflows of resources	(217,373)	(41,784)
(Decrease) in accounts payable	(123,477)	(130,539)
Increase in salaries payable	3,191	4,444
Increase (decrease) in deposits payable	19,279	(38,361)
Increase in compensated absences	10,513	3,717
(Decrease) in due to other governments	(20,119)	(9,578)
Increase in net pension liability	236,134	4,434
Increase in deferred inflows of resources	26,926	48,397
Total adjustments	670,666	632,875
Net cash provided (used) by operating activities	\$ 329,745	\$ (173,857)

See Proprietary Funds Statement of Cash Flows (Exhibit B-9) for information on non-cash investing, capital, and financing activities.

INTERNAL SERVICE FUNDS

Insurance Reserve Fund - Established to account for insurance provided to other activities of the government on a cost reimbursement basis.

Compensated Absences Fund - Established to account for compensated absences for the governmental funds.

Retirement Insurance Fund - Established to administer the reserve and payment of retiree health insurance.

CITY OF COON RAPIDS, MINNESOTA

INTERNAL SERVICE FUNDS
STATEMENT OF NET POSITION

DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR DECEMBER 31, 2015)

	Insurance Reserve	Compensated Absences	Retirement Insurance	TOTALS	
				2016	2015
Assets					
Current Assets:					
Cash and cash equivalents	\$ 3,296,391	\$ 2,444,973	\$ 3,928,440	\$ 9,669,804	\$ 9,235,092
Accrued interest receivable	8,802	6,400	10,485	25,687	24,610
Prepaid items	14,208			14,208	14,208
Total Assets	<u>\$ 3,319,401</u>	<u>\$ 2,451,373</u>	<u>\$ 3,938,925</u>	<u>\$ 9,709,699</u>	<u>\$ 9,273,910</u>
Liabilities					
Current Liabilities:					
Accounts payable	133,972			133,972	45,935
Compensated absences		151,802		151,802	179,586
Total Current Liabilities	<u>133,972</u>	<u>151,802</u>		<u>285,774</u>	<u>225,521</u>
Noncurrent Liabilities:					
Compensated absences		2,299,571		2,299,571	2,203,877
Other post employment benefits			4,366,116	4,366,116	3,979,161
Total Noncurrent Liabilities		<u>2,299,571</u>	<u>4,366,116</u>	<u>6,665,687</u>	<u>6,183,038</u>
Total Liabilities	<u>133,972</u>	<u>2,451,373</u>	<u>4,366,116</u>	<u>6,951,461</u>	<u>6,408,559</u>
Net Position					
Unrestricted	<u>3,185,429</u>		<u>(427,191)</u>	<u>2,758,238</u>	<u>2,865,351</u>
Total Liabilities and Net Position	<u>\$ 3,319,401</u>	<u>\$ 2,451,373</u>	<u>\$ 3,938,925</u>	<u>\$ 9,709,699</u>	<u>\$ 9,273,910</u>

CITY OF COON RAPIDS, MINNESOTA

INTERNAL SERVICE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 YEAR ENDED DECEMBER 31, 2016
 (WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	Insurance Reserve	Compensated Absences	Retirement Insurance	TOTALS	
				2016	2015
Operating Revenues:					
Sales, fees, and charges	\$ 70,675			\$ 70,675	\$ 72,732
Miscellaneous	278,319		\$ 26,974	305,293	260,783
Total Operating Revenues	348,994		26,974	375,968	333,515
Operating Expenses:					
Personal services		\$ 217,840		217,840	244,592
Other charges and services	351,244		660,107	1,011,351	775,747
Supplies	251			251	
Total Operating Expenses	351,495	217,840	660,107	1,229,442	1,020,339
Operating Loss	(2,501)	(217,840)	(633,133)	(853,474)	(686,824)
Nonoperating Revenues:					
Investment income	23,322	16,715	24,595	64,632	166,329
Income (Loss) before transfers	20,821	(201,125)	(608,538)	(788,842)	(520,495)
Transfers in		202,715	572,634	775,349	783,924
Transfers out	(92,030)	(1,590)		(93,620)	(69,075)
Change in net position	(71,209)		(35,904)	(107,113)	194,354
Net Position at Beginning of Year	3,256,638		(391,287)	2,865,351	2,670,997
Net Position at End of Year	<u>\$ 3,185,429</u>	<u>\$</u>	<u>\$ (427,191)</u>	<u>\$ 2,758,238</u>	<u>\$ 2,865,351</u>

CITY OF COON RAPIDS, MINNESOTA

INTERNAL SERVICE FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2015)

	Insurance Reserve	Compensated Absences	Retirement Insurance	TOTALS	
				2016	2015
<u>Increase (Decrease) in Cash and Cash Equivalents</u>					
Cash flows from operating activities:					
Cash received from customers	\$ 348,994		\$ 26,974	\$ 375,968	\$ 339,039
Cash paid to employees for services		\$ (149,930)		(149,930)	(267,526)
Cash paid to suppliers for goods and services	(263,458)		(273,152)	(536,610)	(368,593)
Net cash provided (used) by operating activities	85,536	(149,930)	(246,178)	(310,572)	(297,080)
Cash flows from noncapital financing activities:					
Transfer in		202,715	572,634	775,349	783,924
Transfer out	(92,030)	(1,590)		(93,620)	(69,075)
Net cash provided (used) by noncapital financing activities	(92,030)	201,125	572,634	681,729	714,849
Cash flows from investing activities:					
Interest on investments	23,689	16,928	22,938	63,555	169,812
Net increase in cash and cash equivalents	17,195	68,123	349,394	434,712	587,581
Cash and cash equivalents at beginning of year	3,279,196	2,376,850	3,579,046	9,235,092	8,647,511
Cash and cash equivalents at end of year	<u>\$ 3,296,391</u>	<u>\$ 2,444,973</u>	<u>\$ 3,928,440</u>	<u>\$ 9,669,804</u>	<u>\$ 9,235,092</u>
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</u>					
Operating loss	\$ (2,501)	\$ (217,840)	\$ (633,133)	\$ (853,474)	\$ (686,824)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Decrease in accounts receivable					5,524
Increase in accounts payable	88,037			88,037	20,771
Increase (decrease) in compensated absences		67,910		67,910	(22,934)
Increase in other post employment benefits			386,955	386,955	386,383
Total adjustments	88,037	67,910	386,955	542,902	389,744
Net cash provided (used) by operating activities	<u>\$ 85,536</u>	<u>\$ (149,930)</u>	<u>\$ (246,178)</u>	<u>\$ (310,572)</u>	<u>\$ (297,080)</u>

See Proprietary Funds Statement of Cash Flows (Exhibit B-9) for information on non-cash investing, capital, and financing activities.

CITY OF COON RAPIDS, MINNESOTA

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED DECEMBER 31, 2016

	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016
<u>Deposit Fund</u>				
Assets:				
Cash and investments	\$ 1,411,939	\$ 579,446	\$ 726,230	\$ 1,265,155
Accrued interest	3,936		555	3,381
	<u>1,415,875</u>	<u>579,446</u>	<u>726,785</u>	<u>1,268,536</u>
Total Assets	<u>\$ 1,415,875</u>	<u>\$ 579,446</u>	<u>\$ 726,785</u>	<u>\$ 1,268,536</u>
Liabilities:				
Deposits Payable	<u>\$ 1,415,875</u>	<u>\$ 579,446</u>	<u>\$ 726,785</u>	<u>\$ 1,268,536</u>

Reader's Notes:

OTHER SUPPLEMENTAL INFORMATION

CITY OF COON RAPIDS, MINNESOTA

SCHEDULE OF BONDED INDEBTEDNESS
YEAR ENDED DECEMBER 31, 2016

Description	Fund #	Net Interest Rate	Dated	Final Maturity Date	Callable
<u>Debt Service Funds</u>					
13,500,000 - Lease Revenue Bonds 2010B	44000	4.2577%	08/11/10	2/1/2036	02/01/20
5,295,000 - General Obligation Park Bonds, 2015A	45000	2.1466%	04/15/15	2/1/2030	02/01/24
735,000 - General Obligation Park Bonds, 2016A	45000	1.1204%	11/22/16	4/1/2021	No call
Total Debt Service Funds					
<u>Special Assessment Fund</u>					
1,575,000 - Improvement Bonds 2008A	32060	4.2437%	11/13/08	2/1/2019	02/01/17
2,520,000 - Improvement Bonds 2010B	32090	2.5253%	06/16/10	2/1/2021	02/01/17
3,565,000 - Improvement Bonds 2013A	32110	1.3273%	02/14/13	2/1/2023	02/01/20
3,050,000 - Improvement Bonds 2013B	32140	2.1515%	12/30/13	2/1/2024	02/01/21
4,090,000 - Improvement Bonds 2014A	32150	1.7169%	11/18/14	2/1/2025	02/01/22
3,105,000 - Improvement Bonds 2015A	32150	1.8246%	04/15/15	2/1/2026	02/01/24
4,950,000 - Improvement Bonds 2016A	32160	1.4963%	11/22/16	4/1/2027	04/01/25
Total Special Assessment Fund					
<u>Public Utility Funds</u>					
4,120,000 - Water Revenue Refunding Bonds 2007A	71000	3.9197%	11/01/07	2/1/2021	02/01/18
2,755,000 - Water Revenue Bonds 2008A	71000	4.2437%	11/13/08	2/1/2024	02/01/17
2,255,000 - Water Revenue Refunding Bonds 2013A	71000	0.8335%	02/14/13	2/1/2018	No call
2,590,000 - Water Revenue Bonds 2013B	71000	2.1515%	12/30/13	2/1/2024	02/01/21
4,795,000 - Water Revenue Bonds 2014A	71000	1.7460%	11/18/14	2/1/2025	02/01/22
835,000 - Storm Water Drainage Revenue Bonds 2014A	72000	1.7463%	11/18/14	2/1/2025	02/01/22
1,595,000 - Water Revenue Bonds 2015A	71000	1.8224%	04/15/15	2/1/2026	02/01/24
3,835,000 - Water Revenue Bonds 2016A	71000	1.4960%	11/22/16	4/1/2027	04/01/25
Total Public Utility Funds					
<u>Recreational Facility Funds</u>					
4,225,000 - Golf Course Revenue Bonds, Series 2010A	73000	5.1403%	06/16/10	11/1/2036	05/01/18
795,000 - Golf Course Revenue Bonds, Series 2013A	73000	1.8846%	02/14/13	2/1/2028	02/01/20
Total Recreational Facility Funds					
Total - All Funds					

EXHIBIT N

Balance January 1, 2016	Issued 2016	Retired 2016	Balance December 31, 2016	Principal Due in 2017	Interest Due in 2017
\$ 12,985,000		425,000	\$ 12,560,000	\$ 435,000	\$ 498,500
5,295,000		315,000	4,980,000	295,000	129,463
	735,000		735,000		18,926
18,280,000	735,000	740,000	18,275,000	730,000	646,889
625,000		145,000	480,000	480,000 *	17,038
1,345,000		305,000	1,040,000	1,040,000 **	28,275
2,850,000		370,000	2,480,000	355,000	46,050
2,785,000		280,000	2,505,000	285,000	68,250
4,090,000		400,000	3,690,000	420,000	71,125
3,105,000			3,105,000	270,000	82,150
	4,950,000		4,950,000		117,849
14,800,000	4,950,000	1,500,000	18,250,000	2,850,000	430,737
2,470,000		375,000	2,095,000	390,000	76,000
1,850,000		175,000	1,675,000	180,000	69,225
1,370,000		450,000	920,000	455,000	13,850
2,370,000		235,000	2,135,000	240,000	58,162
4,795,000		420,000	4,375,000	450,000	84,931
835,000		75,000	760,000	80,000	14,738
1,595,000			1,595,000	140,000	42,200
	3,835,000		3,835,000		91,327
15,285,000	3,835,000	1,730,000	17,390,000	1,935,000	450,433
3,740,000		125,000	3,615,000	130,000	182,648
795,000			795,000		16,165
4,535,000		125,000	4,410,000	130,000	198,813
<u>\$ 52,900,000</u>	<u>\$ 9,520,000</u>	<u>\$ 4,095,000</u>	<u>\$ 58,325,000</u>	<u>\$ 5,645,000</u>	<u>\$ 1,726,872</u>

*Includes \$320,000 callable 2/1/17.

**Includes \$845,000 callable 2/1/17.

CITY OF COON RAPIDS, MINNESOTA

SCHEDULE OF BOND MATURITIES

December 31, 2016

Year	Debt Service Funds		Special Assessment Fund		Public Utility Funds	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 730,000	\$ 646,889	\$ 2,850,000	\$ 430,737	\$ 1,935,000	\$ 450,433
2018	925,000	624,644	1,745,000	399,046	2,285,000	405,945
2019	960,000	596,369	1,825,000	339,645	1,915,000	343,509
2020	990,000	567,119	1,865,000	281,825	1,970,000	283,195
2021	1,020,000	534,494	1,845,000	227,325	2,025,000	221,641
2022	855,000	502,606	1,895,000	176,225	1,620,000	168,156
2023	880,000	473,969	1,855,000	128,653	1,670,000	122,478
2024	915,000	444,000	1,605,000	83,025	1,720,000	74,479
2025	945,000	413,406	1,295,000	45,284	1,205,000	35,409
2026	975,000	382,556	905,000	20,350	610,000	14,800
2027	1,005,000	350,169	565,000	5,650	435,000	4,350
2028	1,035,000	315,344				
2029	1,070,000	278,428				
2030	1,110,000	239,175				
2031	725,000	202,388				
2032	755,000	169,087				
2033	790,000	134,325				
2034	825,000	97,987				
2035	865,000	59,962				
2036	900,000	20,250				
TOTAL	\$ 18,275,000	\$ 7,053,167	\$ 18,250,000	\$ 2,137,765	\$ 17,390,000	\$ 2,124,395

EXHIBIT O

Recreational Facility Funds		Totals	
Principal	Interest	Principal	Interest
\$ 130,000	\$ 198,813	\$ 5,645,000	\$ 1,726,872
180,000	193,568	5,135,000	1,623,203
190,000	187,448	4,890,000	1,466,971
200,000	180,695	5,025,000	1,312,834
210,000	173,355	5,100,000	1,156,815
220,000	165,408	4,590,000	1,012,395
230,000	157,133	4,635,000	882,233
235,000	148,580	4,475,000	750,084
245,000	139,030	3,690,000	633,129
255,000	129,088	2,745,000	546,794
270,000	118,750	2,275,000	478,919
275,000	107,320	1,310,000	422,664
190,000	96,570	1,260,000	374,998
200,000	86,500	1,310,000	325,675
205,000	75,900	930,000	278,288
215,000	64,625	970,000	233,712
225,000	52,800	1,015,000	187,125
235,000	40,425	1,060,000	138,412
245,000	27,500	1,110,000	87,462
255,000	14,025	1,155,000	34,275
<u>\$ 4,410,000</u>	<u>\$ 2,357,533</u>	<u>\$ 58,325,000</u>	<u>\$ 13,672,860</u>

Reader's Notes:

STATISTICAL SECTION

This part of the City of Coon Rapid's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Table 1 – Government-Wide Net Position by Component

Table 2 – Changes in Net Position

Table 3 – Fund Balances – Governmental Funds

Table 4 – Changes in Fund Balances – Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Table 5 – Market Value and Tax Capacity Value of Taxable Property

Table 6 – Property Tax Rates – Direct and Overlapping Governments

Table 7 – Principal Property Taxpayers

Table 8 – Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Table 9 – Ratios of Outstanding Debt by Type

Table 10 – Ratios of General Bonded Debt Outstanding

Table 11 – Direct and Overlapping Governmental Activities Debt

Table 12 – Legal Debt Margin Information

Table 13 – Pledged Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Table 14 – Demographic and Economic Statistics

Table 15 – Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Table 16 – Full-time City Government Employees by Function

Table 17 – Operating Indicators by Function

Table 18 – Capital Asset Statistics by Function

Reader's Notes:

TABLE 1

CITY OF COON RAPIDS, MINNESOTA

GOVERNMENT-WIDE NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities										
Net investment in capital assets	\$ 93,430,248	\$ 105,543,327	\$ 108,800,113	\$ 102,203,524	\$ 106,580,229	\$ 112,962,127	\$ 108,839,267	\$ 111,440,398	\$ 114,625,585	\$ 119,831,514
Restricted	135,147	116,946	19,726,809	27,111,379	19,036,744	18,460,032	21,721,746	22,662,842	24,289,623	24,423,525
Unrestricted	86,284,490	75,758,220	53,385,164	54,931,461	54,831,073	53,318,823	53,734,071	56,132,229	41,569,071	31,774,404
Subtotal Governmental Activities Net Position	\$ 179,849,885	\$ 181,418,493	\$ 181,912,086	\$ 184,246,364	\$ 180,448,046	\$ 184,740,982	\$ 184,295,084	\$ 190,235,469	\$ 180,484,279	\$ 176,029,443
Business-type Activities										
Net investment in capital assets	\$ 87,748,600	\$ 88,101,226	\$ 90,549,160	\$ 89,486,145	\$ 93,870,912	\$ 93,311,827	\$ 91,289,503	\$ 89,014,000	\$ 89,686,706	\$ 93,448,156
Unrestricted	12,670,341	12,579,044	9,927,068	9,434,712	11,022,451	12,390,088	14,191,254	15,963,970	13,271,293	9,503,085
Subtotal Business-type Activities Net Position	\$ 100,418,941	\$ 100,680,270	\$ 100,476,228	\$ 98,920,857	\$ 104,893,363	\$ 105,701,915	\$ 105,480,757	\$ 104,977,970	\$ 102,957,999	\$ 102,951,241
Primary Government										
Net investment in capital assets	\$ 181,178,848	\$ 193,644,553	\$ 199,349,273	\$ 191,689,669	\$ 200,451,141	\$ 206,273,954	\$ 200,128,770	\$ 200,454,398	\$ 204,312,291	\$ 213,279,670
Restricted	135,147	116,946	19,726,809	27,111,379	19,036,744	18,460,032	21,721,746	22,662,842	24,289,623	24,423,525
Unrestricted	98,954,831	88,337,264	63,312,232	64,366,173	65,853,524	65,708,911	67,925,325	72,096,199	54,840,364	41,277,489
Total Primary Government Net Position	\$ 280,268,826	\$ 282,098,763	\$ 282,388,314	\$ 283,167,221	\$ 285,341,409	\$ 290,442,897	\$ 289,775,841	\$ 295,213,439	\$ 283,442,278	\$ 278,980,684

Note 1: The City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended December 31, 2013, resulting in a restatement of beginning net position. Years prior to 2013 have not been restated.

Note 2: The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended December 31, 2015, resulting in a restatement of beginning net position. Years prior to 2015 have not been restated.

TABLE 2

CITY OF COON RAPIDS, MINNESOTA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 4,348,536	\$ 4,784,904	\$ 5,243,859	\$ 4,574,091	\$ 4,729,669	\$ 5,153,326	\$ 5,384,088	\$ 5,829,134	\$ 5,760,719	\$ 6,186,499
Public safety	12,423,774	13,376,797	13,355,947	13,601,282	13,993,829	14,611,186	14,920,693	16,417,405	16,476,755	21,028,077
Community services	767,880	780,520	614,510	654,808	615,143	611,965	586,645	620,534	674,796	996,475
Community development	3,538,587	3,443,163	7,758,942	5,966,960	6,112,460	3,668,796	3,685,964	3,390,581	4,166,027	3,963,110
Public works:										
Streets	4,375,050	8,866,060	5,828,705	6,693,919	7,099,526	6,839,088	6,861,364	7,161,322	6,782,990	7,566,093
Parks and recreation	3,417,204	3,614,851	2,942,157	3,126,515	3,936,015	3,980,491	3,870,767	4,166,460	4,156,673	4,607,840
Maintenance of buildings/vehicles	1,615,657	1,638,683	1,604,040	1,508,438	1,604,927	1,524,179	1,491,789	1,501,092	1,457,211	1,500,865
Engineering and design	524,369	498,488	544,917	531,664	564,467	610,507	602,039	522,107	578,134	657,853
Interest expense and fiscal charges on long-term debt	827,070	559,658	440,064	533,784	889,971	778,979	769,562	794,765	934,556	920,120
Total governmental activities expenses	31,838,127	37,563,124	38,333,141	37,191,461	39,546,007	37,778,517	38,172,911	40,403,400	40,987,861	47,426,932
Business-type activities:										
Water	4,967,329	5,374,239	5,506,926	5,692,305	5,406,828	5,792,936	5,384,010	6,020,010	5,575,874	5,433,086
Sewer	5,263,861	5,282,611	5,526,932	5,856,768	5,829,927	5,598,040	5,954,262	6,166,584	6,100,977	6,615,202
Storm water drainage	1,335,480	1,224,241	1,273,594	1,305,147	1,227,554	1,284,813	1,235,081	1,226,766	1,255,199	1,352,985
Golf	1,916,023	1,948,475	1,924,840	2,753,055	2,380,478	2,698,899	2,723,898	3,228,483	6,293,356	7,251,832
Total business-type activities expenses	13,482,693	13,829,566	14,232,292	15,607,275	14,844,787	15,374,688	15,297,251	16,641,843	19,225,406	20,653,105
Total primary government expenses	<u>\$ 45,320,820</u>	<u>\$ 51,392,690</u>	<u>\$ 52,565,433</u>	<u>\$ 52,798,736</u>	<u>\$ 54,390,794</u>	<u>\$ 53,153,205</u>	<u>\$ 53,470,162</u>	<u>\$ 57,045,243</u>	<u>\$ 60,213,267</u>	<u>\$ 68,080,037</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,747,408	\$ 1,721,851	\$ 1,790,678	\$ 2,156,886	\$ 2,030,170	\$ 2,563,165	\$ 2,640,027	\$ 2,712,516	\$ 2,769,130	\$ 2,970,023
Public safety	823,536	770,891	905,544	910,643	942,866	870,829	964,968	819,165	761,009	940,610
Community services	198,460	179,900	182,318	190,071	174,599	193,816	196,776	224,177	234,455	257,675
Community development	1,245,439	990,762	1,280,223	1,198,530	1,075,797	1,223,913	1,260,665	1,192,005	1,024,187	1,130,611
Public works:										
Streets	3,109	16,353	29,135	34,674	6,276	46,618	14,281	13,161	27,104	10,449
Parks and recreation	322,309	373,269	457,336	450,964	526,734	615,401	601,393	624,684	696,942	688,342
Maintenance of buildings/vehicles							327		1,664	2,240
Engineering and design	115,082	125,369	139,018	110,643	244,471	209,989	337,037	260,739	263,090	312,075
Operating grants and contributions	1,637,252	1,467,795	1,534,691	2,084,712	1,907,040	1,820,230	2,073,304	1,885,945	2,085,293	2,087,260
Capital grants and contributions	4,395,597	3,234,715	3,900,363	3,934,892	4,931,735	5,922,495	4,783,241	5,417,259	6,302,213	6,255,382
Total governmental activities program revenues	10,488,192	8,880,905	10,219,306	11,072,015	11,839,688	13,466,456	12,872,019	13,149,651	14,165,087	14,654,667

TABLE 2

CITY OF COON RAPIDS, MINNESOTA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Business-type activities:										
Charges for services:										
Water	4,944,791	4,680,327	5,038,105	4,737,354	4,946,935	6,128,948	5,581,711	5,189,690	5,486,569	5,976,613
Sewer	5,159,888	5,159,922	5,328,990	5,829,574	6,058,844	6,091,717	5,989,066	6,176,654	6,200,626	6,471,113
Storm water drainage	1,113,613	1,202,565	1,279,171	1,343,976	1,358,007	1,358,238	1,362,470	1,358,360	1,378,973	1,365,611
Golf	1,914,210	1,879,143	1,926,623	1,878,519	2,218,344	2,394,786	2,553,025	2,690,545	5,270,541	6,689,204
Capital grants and contributions	893,319	196,092	57,569	106,527	555,755	69,475				
Total business-type activities program revenues	14,025,821	13,118,049	13,630,458	13,895,950	15,137,885	16,043,164	15,486,272	15,415,249	18,336,709	20,502,541
Total primary government program revenues	<u>\$ 24,514,013</u>	<u>\$ 21,998,954</u>	<u>\$ 23,849,764</u>	<u>\$ 24,967,965</u>	<u>\$ 26,977,573</u>	<u>\$ 29,509,620</u>	<u>\$ 28,358,291</u>	<u>\$ 28,564,900</u>	<u>\$ 32,501,796</u>	<u>\$ 35,157,208</u>
Net (expense) revenue:										
Governmental activities	\$ (21,349,935)	\$ (28,682,219)	\$ (28,113,835)	\$ (26,119,446)	\$ (27,706,319)	\$ (24,312,061)	\$ (25,300,892)	\$ (27,253,749)	\$ (26,822,774)	\$ (32,772,265)
Business-type activities	543,128	(711,517)	(601,834)	(1,711,325)	293,098	668,476	189,021	(1,226,594)	(888,697)	(150,564)
Total primary government net expense	<u>\$ (20,806,807)</u>	<u>\$ (29,393,736)</u>	<u>\$ (28,715,669)</u>	<u>\$ (27,830,771)</u>	<u>\$ (27,413,221)</u>	<u>\$ (23,643,585)</u>	<u>\$ (25,111,871)</u>	<u>\$ (28,480,343)</u>	<u>\$ (27,711,471)</u>	<u>\$ (32,922,829)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes collected for general purposes	\$ 15,345,382	\$ 16,658,313	\$ 17,401,438	\$ 17,272,247	\$ 17,259,393	\$ 17,625,056	\$ 18,029,864	\$ 17,910,227	\$ 18,374,053	\$ 19,078,993
Property taxes collected for debt services	644,990	778,117	1,057,747	1,088,719	1,515,703	1,728,483	2,102,239	2,586,653	3,554,685	3,508,783
Property taxes collected for capital improvements	1,888,969	2,018,953	2,188,169	2,139,138	2,482,766	2,679,309	2,674,472	2,832,183	2,800,594	2,878,284
Tax increments	2,145,857	2,266,667	2,049,011	2,340,630	1,371,474	1,338,390	607,329	560,830	190,799	195,104
Grants and contributions not restricted to specific programs	1,318,156	703,888	795,603	100,639	104,887	47,159	42,112	976,856	1,117,258	1,160,917
Unrestricted investment earnings	3,857,133	2,870,321	1,175,406	1,313,591	2,429,304	990,583	(2,280,013)	3,385,518	1,349,718	595,755
Gain on sale of capital assets	59,792	27,221	85,442	187,054	67,032	304,945	43,423		262,910	3,161
Miscellaneous	3,875,274	3,959,341	3,854,612	4,011,706	4,091,562	3,891,072	3,721,777	4,941,867	5,083,524	4,351,003
Transfers	165,698	(305,009)			(5,414,120)					
Total governmental activities	29,301,251	28,977,812	28,607,428	28,453,724	23,908,001	28,604,997	24,941,203	33,194,134	32,733,541	31,772,000
Business-type activities:										
Unrestricted investment earnings	654,377	616,792	347,234	151,164	250,394	129,816	(385,789)	615,663	269,989	82,575
Gain on sale of capital assets	25,645	51,045	50,558	4,790	14,894	10,260	11,140	45,531		
Miscellaneous							66,438	62,613	63,884	61,231
Transfers	(165,698)	305,009			5,414,120					
Total business-type activities	514,324	972,846	397,792	155,954	5,679,408	140,076	(308,211)	723,807	333,873	143,806
Total primary government	<u>\$ 29,815,575</u>	<u>\$ 29,950,658</u>	<u>\$ 29,005,220</u>	<u>\$ 28,609,678</u>	<u>\$ 29,587,409</u>	<u>\$ 28,745,073</u>	<u>\$ 24,632,992</u>	<u>\$ 33,917,941</u>	<u>\$ 33,067,414</u>	<u>\$ 31,915,806</u>
Change in Net Position										
Governmental activities	\$ 7,951,316	\$ 295,593	\$ 493,593	\$ 2,334,278	\$ (3,798,318)	\$ 4,292,936	\$ (359,689)	\$ 5,940,385	\$ 5,910,767	\$ (1,000,265)
Business-type activities	1,057,452	261,329	(204,042)	(1,555,371)	5,972,506	808,552	(119,190)	(502,787)	(554,824)	(6,758)
Total primary government	<u>\$ 9,008,768</u>	<u>\$ 556,922</u>	<u>\$ 289,551</u>	<u>\$ 778,907</u>	<u>\$ 2,174,188</u>	<u>\$ 5,101,488</u>	<u>\$ (478,879)</u>	<u>\$ 5,437,598</u>	<u>\$ 5,355,943</u>	<u>\$ (1,007,023)</u>

Note: The City implemented Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended December 31, 2013, resulting in a restatement of beginning net position. Years prior to 2013 have not been restated.

TABLE 3

CITY OF COON RAPIDS, MINNESOTA

FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
DECEMBER 31

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 438,742	\$ 456,490	\$ 525,326	\$ 641,997						
Unreserved	11,200,728	11,552,279	11,457,791	11,491,566						
Nonspendable					\$ 564,220	\$ 490,077	\$ 409,748	\$ 438,296	\$ 484,521	\$ 705,810
Restricted					41,780	10,149	23,278	29,364	27,989	25,995
Assigned					100,875	223,519	392,602	196,625	118,300	75,850
Unassigned					11,888,822	12,143,846	12,631,844	13,242,936	13,791,970	13,566,004
Subtotal General Fund	\$ 11,639,470	\$ 12,008,769	\$ 11,983,117	\$ 12,133,563	\$ 12,595,697	\$ 12,867,591	\$ 13,457,472	\$ 13,907,221	\$ 14,422,780	\$ 14,373,659
All Other Governmental Funds										
Reserved	\$ 26,576,090	\$ 21,697,919	\$ 13,562,628	\$ 22,472,956						
Unreserved										
Special Revenue Funds	6,263,886	6,378,015	6,543,769	6,332,111						
Debt Service Funds	3,303,029	1,940,118	5,630,137	11,171,035						
Capital Projects Funds	24,026,730	19,471,372	22,137,640	22,976,808						
Nonspendable					\$ 7,144,468	\$ 5,744,391	\$ 5,009	\$ 7,386	\$ 9,402	\$ 9,266
Restricted					15,866,420	15,904,519	17,105,596	17,506,703	19,181,232	18,524,306
Committed					26,277,449	25,529,427	32,367,701	36,702,778	35,788,616	31,459,064
Assigned					231,381	1,832,727				
Unassigned					(3,800,857)	(4,736,496)	(1,018,315)	(2,293,522)	(1,418,146)	(2,023,843)
Subtotal All Other Governmental Funds	\$ 60,169,735	\$ 49,487,424	\$ 47,874,174	\$ 62,952,910	\$ 45,718,861	\$ 44,274,568	\$ 48,459,991	\$ 51,923,345	\$ 53,561,104	\$ 47,968,793
Total Governmental Funds										
Reserved	\$ 27,014,832	\$ 22,154,409	\$ 14,087,954	\$ 23,114,953						
Unreserved	44,794,373	39,341,784	45,769,337	51,971,520						
Nonspendable					\$ 7,708,688	\$ 6,234,468	\$ 414,757	\$ 445,682	\$ 493,923	\$ 715,076
Restricted					15,908,200	15,914,668	17,128,874	17,536,067	19,209,221	18,550,301
Committed					26,277,449	25,529,427	32,367,701	36,702,778	35,788,616	31,459,064
Assigned					332,256	2,056,246	392,602	196,625	118,300	75,850
Unassigned					8,087,965	7,407,350	11,613,529	10,949,414	12,373,824	11,542,161
Total Governmental Funds	\$ 71,809,205	\$ 61,496,193	\$ 59,857,291	\$ 75,086,473	\$ 58,314,558	\$ 57,142,159	\$ 61,917,463	\$ 65,830,566	\$ 67,983,884	\$ 62,342,452

Note: The City implemented Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011, resulting in reclassification of the components of fund balance. Years prior to 2011 have not been restated.

CITY OF COON RAPIDS, MINNESOTA

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Source	For the Year Ended December 31									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
General property taxes	\$ 17,686,102	\$ 19,459,464	\$ 20,537,306	\$ 20,606,011	\$ 21,362,199	\$ 22,063,230	\$ 22,871,142	\$ 23,407,167	\$ 24,785,417	\$ 25,455,853
Tax increments	2,145,857	2,266,667	2,049,011	2,340,630	1,371,474	1,338,390	607,329	560,830	190,799	195,104
Special assessments	3,460,049	2,526,399	2,628,637	2,360,581	2,507,616	2,555,014	2,347,775	2,222,150	2,210,103	2,238,464
Licenses and permits	1,155,242	1,144,260	1,250,448	1,424,439	1,561,369	1,674,469	1,833,910	1,753,373	1,471,009	1,718,043
Fines and forfeitures	400,630	373,785	453,689	405,998	477,264	403,251	334,526	287,596	310,455	286,999
Investment income	3,470,842	2,544,032	1,049,593	1,159,638	2,141,346	875,930	(1,915,510)	2,922,053	1,199,488	556,140
Intergovernmental	5,180,846	4,014,436	4,607,871	3,900,251	4,359,186	5,546,238	3,849,436	5,686,906	6,126,483	5,162,661
Payments on notes	6,980		5,164	41,388	72,141	67,864	311,064	41,812	150,749	60,429
Charges for services	1,112,025	1,246,337	1,458,640	1,681,815	1,803,110	2,023,947	2,092,317	2,110,526	1,916,778	2,160,161
Platting fees	152,200	3,050	54,000	64,400	4,000		4,000	132,400	233,660	40,700
Other	5,639,701	5,609,840	5,189,869	5,427,804	5,244,461	5,813,838	5,969,497	6,603,915	6,543,441	6,632,697
Total Revenues	40,410,474	39,188,270	39,284,228	39,412,955	40,904,166	42,362,171	38,305,486	45,728,728	45,138,382	44,507,251
Expenditures:										
Current:										
General government	3,996,060	4,606,285	4,071,303	4,545,933	5,294,257	4,593,557	4,884,996	5,354,879	6,128,287	5,606,942
Public safety	11,592,480	12,291,839	12,353,731	12,260,567	12,319,225	12,805,233	13,016,603	13,752,422	14,357,554	14,622,162
Community services	764,134	685,240	649,982	644,122	600,001	596,624	573,592	607,968	657,273	723,889
Community development	2,098,357	2,086,662	2,384,411	1,970,652	2,021,636	1,929,385	1,996,238	2,085,200	2,074,414	2,187,884
Maintenance services	6,445,858	6,838,824	6,048,228	6,243,405	6,599,069	6,720,129	6,849,113	7,138,050	7,250,853	7,206,455
Capital outlay and improvements	5,845,340	13,844,881	12,279,983	13,508,321	20,038,416	13,351,483	9,875,556	13,697,841	17,797,550	18,407,297
Debt service:										
Principal retirement	5,244,331	9,715,000	2,665,000	1,330,000	2,430,000	2,160,000	1,725,000	1,875,000	2,965,000	2,240,000
Interest and fiscal charges	862,218	641,342	441,706	370,998	894,682	808,962	776,877	811,172	829,938	1,072,837
Other	102,241	93,498	91,072	56,187	41,169	35,467	30,382	27,133	22,411	16,906
Total Expenditures	36,951,019	50,803,571	40,985,416	40,930,185	50,238,455	43,000,840	39,728,357	45,349,665	52,083,280	52,084,372
Excess (Deficiency) of										
Revenues over Expenditures	3,459,455	(11,615,301)	(1,701,188)	(1,517,230)	(9,334,289)	(638,669)	(1,422,871)	379,063	(6,944,898)	(7,577,121)
Other Financing Sources (Uses):										
Bond issuance		1,575,000		17,080,000			6,615,000	4,090,000	8,400,000	5,685,000
Premium on bonds issued		4,245		33,736			251,368	79,274	359,065	386,989
Discount on bonds issued				(240,208)						
Sale of Capital Assets	9,998,913								1,054,000	
Transfers in	8,983,232	3,045,390	5,066,604	14,926,978	3,580,537	3,587,978	2,018,124	2,069,713	7,200,586	5,415,327
Transfer out	(8,946,466)	(3,322,346)	(5,004,318)	(15,329,732)	(9,447,290)	(4,121,708)	(2,686,317)	(2,704,947)	(7,915,435)	(6,097,056)
Total Other Financing Sources (Uses)	10,035,679	1,302,289	62,286	16,470,774	(5,866,753)	(533,730)	6,198,175	3,534,040	9,098,216	5,390,260
Net Change in Fund Balances	\$ 13,495,134	\$ (10,313,012)	\$ (1,638,902)	\$ 14,953,544	\$ (15,201,042)	\$ (1,172,399)	\$ 4,775,304	\$ 3,913,103	\$ 2,153,318	\$ (2,186,861)
Debt Service as a % of										
Noncapital Expenditures	19.0%	24.4%	8.6%	5.4%	9.2%	8.8%	7.5%	7.6%	9.0%	8.8%

TABLE 5

CITY OF COON RAPIDS, MINNESOTA

MARKET VALUE AND TAX CAPACITY VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Year Ended December 31 (Payable)	Indicated Market Value (1)	Taxable Market Value (2)							Tax Capacity Value as a % of Taxable Market Value	
		Real Property				Personal Property		Tax Capacity Value (3)	Tax Capacity Rate	
		Residential	Commercial	Agricultural	Other	Total				
2007	\$ 5,885,551,059	\$ 4,417,660,200	\$ 784,151,600	\$ 1,284,800	\$ 20,374,900	\$ 34,633,800	\$ 5,258,105,300	\$ 61,230,076	1.16 %	30.526
2008	5,843,615,688	4,512,511,900	898,431,700	1,530,900	20,261,600	34,837,300	5,467,573,400	64,469,777	1.18 %	30.731
2009	5,814,327,001	4,432,288,950	931,170,100	1,403,750	21,646,900	37,183,300	5,423,693,000	64,311,411	1.19 %	32.706
2010	5,390,273,093	4,075,634,250	929,247,500	1,099,650	22,160,800	40,538,200	5,068,680,400	60,770,547	1.20 %	34.468
2011	4,811,249,418	3,615,823,400	862,618,600	998,800	23,745,600	43,444,300	4,546,630,700	54,880,856	1.21 %	38.951
2012	4,628,196,398	3,066,010,382	806,029,200	968,943	23,357,500	43,072,500	3,939,438,525	48,217,805	1.22 %	42.824
2013	4,190,437,869	2,706,549,993	745,286,500	921,660	24,877,500	44,956,900	3,522,592,553	43,467,894	1.23 %	48.835
2014	4,261,288,103	2,696,601,125	763,016,900	919,016	25,707,000	41,938,400	3,528,182,441	43,670,617	1.24 %	47.508
2015	4,764,308,759	3,133,685,353	809,612,400	993,595	27,946,300	41,278,700	4,013,516,348	49,038,831	1.22 %	44.754
2016	4,947,546,863	3,294,578,225	852,035,800	993,185	33,322,900	38,071,900	4,219,002,010	51,614,051	1.22 %	44.908

(1) Indicated market value is calculated by dividing the estimated market value by the City's sales ratio determined by the State Department of Revenue. This is the estimate of what a property would sell for.

(2) Estimated market value is limited to the amount it can increase over the prior year resulting in the taxable market value.

(3) Tax capacity value is the taxable value after applying appropriate class rates for the property type.

TABLE 6

CITY OF COON RAPIDS, MINNESOTA

**PROPERTY TAX RATES -- DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Payable Year	City of Coon Rapids (2)	Overlapping Rates (1)			Total Direct and Overlapping Rates
		Anoka County	Anoka-Hennepin School District #11	Special Districts	
2007	30.526	30.696	19.353	5.824	86.399
2008	30.731	31.078	16.983	6.879	85.671
2009	32.706	32.078	18.263	5.606	88.653
2010	34.468	35.189	19.939	6.089	95.685
2011	38.951	39.952	23.999	6.985	109.887
2012	42.824	41.146	23.325	6.990	114.285
2013	48.835	44.411	26.801	7.268	127.315
2014	47.508	43.239	28.265	7.425	126.437
2015	44.754	38.123	22.482	6.863	112.222
2016	44.908	38.894	20.885	7.775	112.462

Source: Anoka County

- (1) Overlapping rates are those of other governments that apply to property owners within the City of Coon Rapids. Not all overlapping rates apply to all City of Coon Rapids property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).
- (2) Within the Anoka County property tax system, the City is an individual tax district. Thus the City direct rate is an individual rate, and is not comprised of component direct rates.

TABLE 7

CITY OF COON RAPIDS, MINNESOTA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Payable	2016				2007			
	Taxable Market Value	Rank	Tax Capacity Value	Percentage of Total Tax Capacity Value	Taxable Market Value	Rank	Tax Capacity Value	Percentage of Total Tax Capacity Value
Principal Taxpayer								
DDR MDT Riverdale Village Outer Ring LLC	\$ 62,611,800	1	\$ 1,251,486	2.42%	\$ 43,577,200 *	1	\$ 870,794	1.42%
DDR MDT Riverdale Village Inner Ring LLC	45,142,200	2	900,729	1.75%	32,480,500 *	2	647,225	1.06%
Allina Health System	32,692,100	3	649,825	1.26%	15,971,000	8	310,896	0.51%
Riverdale 2005 LLC	27,449,400	4	548,238	1.06%	22,935,700	3	457,964	0.75%
Xcel (fka Northern States Power)	25,620,700	5	512,414	0.99%	19,561,400	4	391,226	0.64%
Inland Village Ten LLC	22,690,200	6	453,054	0.88%	19,407,300	5	387,396	0.63%
Inland Riverdale Commons LLC	22,706,700	7	451,134	0.87%	17,519,600	7	349,642	0.57%
Target Corporation	16,353,900	8	325,578	0.63%	18,470,300	6	367,906	0.60%
Menard, Inc.	14,825,200	9	295,754	0.57%				
Minnegasco	14,473,400	10	287,657	0.56%				
WC Northtown Village LLC					14,611,800	9	291,486	0.48%
Connexus Energy					14,443,100	10	287,925	0.47%
Totals	<u>\$ 284,565,600</u>		<u>\$ 5,675,869</u>	<u>11.00%</u>	<u>\$ 218,977,900</u>		<u>\$ 4,362,460</u>	<u>7.12%</u>

*formerly Coon Rapids Riverdale Village; now DDR MDT Riverdale Village Inner & Outer Ring LLC

Source: Anoka County

TABLE 8

CITY OF COON RAPIDS, MINNESOTA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended December 31	Taxes Levied for the Fiscal Year	Levy Adjustments	Total to be collected	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy and Adjustments
2007	\$ 17,425,368	\$ (48,022)	\$ 17,377,346	\$ 17,064,034	97.93%	\$ 310,552	\$ 17,374,586	99.98%
2008	18,718,005	85,227	18,803,232	18,519,120	98.94%	279,720	18,798,840	99.98%
2009	19,908,184	(195,959)	19,712,225	19,524,594	98.07%	182,171	19,706,765	99.97%
2010	19,995,687	(346,680)	19,649,007	19,575,935	97.90%	58,269	19,634,204	99.92%
2011	20,589,661	(169,625)	20,420,036	20,383,108	99.00%	20,864	20,403,972	99.92%
2012	21,479,029	(281,013)	21,198,016	21,201,033	98.71%	(18,586)	21,182,447	99.93%
2013	22,436,696	(175,692)	22,261,004	22,170,164	98.81%	67,133	22,237,297	99.89%
2014	22,887,508	(115,778)	22,771,730	22,676,338	99.08%	62,952	22,739,290	99.86%
2015	24,269,114	(95,533)	24,173,581	24,063,225	99.15%	61,758	24,124,983	99.80%
2016	24,882,645	(25,158)	24,857,487	24,691,417	99.23%		24,691,417	99.33%

TABLE 9

CITY OF COON RAPIDS, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Lease Revenue Bonds	Tax Increment Bonds	Special Assessments Bonds	Water Revenue Bonds	Storm Water Drainage Revenue Bonds	Recreational Facility Revenue Bonds	Capital Leases			
2007	\$ 4,190,417		\$ 7,808,570	\$ 8,171,053	\$ 14,225,543		\$ 1,005,543		\$ 35,401,126	1.46%	556
2008	3,230,002		2,489,320	6,350,509	15,751,131				27,820,962	1.14%	441
2009	2,249,588		2,367,274	4,785,296	15,119,006				24,521,164	1.05%	389
2010	1,843,822	\$ 14,319,792	2,240,228	6,538,631	10,284,523		4,172,188		39,399,184	1.69%	641
2011	1,443,059	14,330,460	795,000	5,960,015	9,449,133		4,174,219		36,151,886	1.46%	585
2012	1,082,294	13,966,129	240,000	5,081,398	8,578,744		4,056,250		33,004,815	1.29%	534
2013	721,529	13,591,797		11,199,150	10,394,564		4,746,647		40,653,687	1.56%	649
2014	360,765	13,202,465		14,219,670	14,302,619	\$ 850,534	4,627,788		47,563,841	1.74%	762
2015	5,486,956	12,796,444		15,260,099	14,753,108	848,980	4,503,928	\$ 304,848	53,954,363	1.89%	863
2016	5,934,446	12,380,423		19,003,409	17,158,094	772,427	4,380,068	237,685	59,866,552	2.06%	954

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics (Table 14) for personal income and population data.

TABLE 10

CITY OF COON RAPIDS, MINNESOTA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Taxable Market Value of Property (1)	Per Capita (2)
2007	\$ 4,190,417	\$ 1,261,712	\$ 2,928,705	0.06%	\$ 46
2008	3,230,002	1,250,383	1,979,619	0.04%	31
2009	2,249,588	806,340	1,443,248	0.03%	23
2010	1,843,822	400,383	1,443,439	0.03%	23
2011	1,443,059	74,481	1,368,578	0.03%	22
2012	1,082,294		1,082,294	0.03%	17
2013	721,529		721,529	0.02%	12
2014	360,765		360,765	0.01%	6
2015	5,486,956	613,554	4,873,402	0.12%	78
2016	5,934,446	426,401	5,508,045	0.13%	88

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Market Value and Tax Capacity Value of Taxable Property (Table 5) for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics (Table 14).

CITY OF COON RAPIDS, MINNESOTA

TABLE 11

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016**

Governmental Unit	Debt Outstanding	Applicable to City	
		Percent	Amount
Direct Debt:			
City of Coon Rapids	\$ 37,318,278 (1)	100.00%	\$ 37,318,278
Overlapping Debt:			
Anoka County	105,535,000	17.51%	18,480,550
Independent School District #11	51,885,000	26.35%	13,669,726
Metropolitan Council	187,745,000	1.79%	3,353,877
Total Overlapping Debt	345,165,000		35,504,153
Total Direct and Overlapping Debt	\$ 382,483,278		\$ 72,822,431

Sources: Anoka County, Independent School District #11, Metropolitan Council, and City of Coon Rapids

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Coon Rapids. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

(1) The total of outstanding debt for governmental activities from Table 9.

CITY OF COON RAPIDS, MINNESOTA

TABLE 12

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 105,586,786	\$ 164,027,202	\$ 162,710,790	\$ 152,060,412	\$ 136,398,921	\$ 118,183,156	\$ 105,677,777	\$ 105,845,473	\$ 120,405,490	\$ 126,570,060
Total net debt applicable to limit		57,826	11,865						4,681,446	5,288,599
Legal debt margin	<u>\$ 105,586,786</u>	<u>\$ 163,969,376</u>	<u>\$ 162,698,925</u>	<u>\$ 152,060,412</u>	<u>\$ 136,398,921</u>	<u>\$ 118,183,156</u>	<u>\$ 105,677,777</u>	<u>\$ 105,845,473</u>	<u>\$ 115,724,044</u>	<u>\$ 121,281,461</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.04%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	3.89%	4.18%

Legal Debt Margin Calculation for Fiscal Year 2016

Estimated market value (taxes payable 2016)	<u>\$ 4,219,002,010</u>
Debt limit (1)	<u>\$ 126,570,060</u>
Debt applicable to limit:	
General obligation bonds (2)	5,715,000
Less: Amount set aside for repayment of general obligation debt (3)	<u>(426,401)</u>
Total net debt applicable to limit	<u>5,288,599</u>
Legal debt margin	<u>\$ 121,281,461</u>

(1) Under state law, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the market value of taxable property in the municipality.

(2) General obligation bonds from Table 9 (net of discount/premium)

(3) Under state law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying those bonds.

TABLE 13

CITY OF COON RAPIDS, MINNESOTA

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
WATER REVENUE BONDS							
2007	\$ 4,954,569	\$ 2,909,346	\$ 2,045,223	\$ 1,265,000	\$ 477,216	\$ 1,742,216	117.39%
2008	4,777,838	3,141,832	1,636,006	1,230,000	598,300	1,828,300	89.48%
2009	5,170,712	3,198,022	1,972,690	635,000	672,099	1,307,099	150.92%
2010	4,692,739	3,295,570	1,397,169	780,000	496,096	1,276,096	109.49%
2011	4,867,997	3,129,164	1,738,833	835,000 (3)	394,424	1,229,424	141.43%
2012	6,072,374	3,535,315	2,537,059	870,000 (3)	360,986	1,230,986	206.10%
2013	5,568,086	3,162,383	2,405,703	3,210,000	320,834	3,530,834	68.13%
2014	5,222,918	3,780,351	1,442,567	950,000 (4)	326,788	1,276,788	112.98%
2015	5,528,543	3,261,499	2,267,044	1,195,000	378,244	1,573,244	144.10%
2016	5,973,952	3,059,373	2,914,579	1,655,000	363,582	2,018,582	144.39%
STORM WATER DRAINAGE REVENUE BONDS							
2015	\$ 1,462,245	\$ 605,461	\$ 856,784		\$ 15,531	\$ 15,531	5516.61%
2016	1,397,876	695,938	701,938	\$ 75,000	14,109	89,109	787.73%
RECREATIONAL FACILITY REVENUE BONDS (5)							
2007	\$ 1,923,324	\$ 1,493,613	\$ 429,711	\$ 225,000	\$ 64,474	\$ 289,474	148.45%
2008	1,888,871	1,582,468	306,403	1,010,000 (6)	62,822	1,072,822	28.56%
2009	1,932,521	1,579,337	353,184		(7)		N/A
2010	1,863,822	1,545,297	318,525		(7)		N/A
2011	2,268,506	1,720,814	547,692		212,005	212,005	258.34%
2012	2,392,285	1,938,501	453,784	120,000	204,076	324,076	140.02%
2013	2,546,234	1,923,046	623,188	120,000	219,850	339,850	183.37%
2014	2,700,099	2,328,180	371,919	120,000	215,657	335,657	110.80%
2015	5,270,616	5,339,059	(68,443)	125,000	223,984	348,984	-19.61%
2016	6,684,913	6,300,339	384,574	125,000	229,664	354,664	108.43%

(1) Gross revenues include operating revenues and investment income.

(2) Operating expenses do not include depreciation.

(3) Excludes \$4,090,000 for bonds refunded with refunding bond proceeds held in escrow.

(4) Includes \$2,305,000 in called bonds.

(5) For golf course.

(6) Includes \$775,000 in called bonds.

(7) Interest of \$40,756 in 2009 and \$26,378 in 2010 on the Statement of Revenues, Expenses & Changes in Fund Net Assets was for interfund loan interest only.

TABLE 14

CITY OF COON RAPIDS, MINNESOTA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2007	63,649	2,429,291,383	38,167	4.5%
2008	63,081	2,442,054,753	38,713	5.3%
2009	63,005	2,345,676,150	37,230	8.3%
2010	61,476	2,326,743,648	37,848	7.9%
2011	61,766	2,470,887,064	40,004	6.7%
2012	61,850	2,560,033,350	41,391	5.6%
2013	62,684	2,614,048,168	41,702	5.0%
2014	62,435	2,728,721,675	43,705	4.1%
2015	62,527	2,848,480,012	45,556	3.7%
2016	62,726	2,903,272,910	46,285 (5)	3.5%

(1) Estimates as provided by the Metropolitan Council except 2010 which is a U.S. Census figure.

(2) Calculated based on the per capita personal income for Anoka County (as provided by the U.S. Department of Commerce).

(3) For Anoka County as provided by the U.S. Department of Commerce.

(4) City of Coon Rapids rate as provided by the Minnesota Department of Employment and Economic Development.

(5) Actual amount not yet available. Based on prior year adjusted by the metropolitan area CPI.

TABLE 15

CITY OF COON RAPIDS, MINNESOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mercy Hospital (Allina Health System)	1,974	1	8.29%	2,300	1	9.36%
Independent School District #11 ¹	1,241	2	5.21%	1,166	2	4.74%
RMS Company	830	3	3.48%	420	7	1.71%
Honeywell Aerospace	600	4	2.52%	500	4	2.03%
Anoka Ramsey Community College	375	5	1.57%	420	6	1.71%
City of Coon Rapids ²	324	6	1.36%	288	10	1.17%
Hom Furniture	300	7	1.26%			
Target	300	8	1.26%	320	9	1.30%
Menards	225	9	0.94%			
Wal-Mart	200	10	0.84%			
Mary T Inc.				650	3	2.64%
Allina Medical Center				500	5	2.03%
John Roberts Company				330	8	1.34%
	<u>6,369</u>		<u>26.73%</u>	<u>6,894</u>		<u>28.05%</u>

Sources: 2016 - Ehlers & Associates, Inc.
2007 - Springsted, Inc.

¹Includes full-time, part-time and seasonal employees that work in the City.

²Includes full-time, part-time and seasonal employees on a full-time equivalent basis.

TABLE 16

CITY OF COON RAPIDS, MINNESOTA

FULL TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	35	37	36	34	34	34	34	34	33	33
Public Safety:										
Police	77	76	72	72	72	72	72	72	73	73
Fire	33	33	32	32	32	32	32	32	32	32
Community Services	2	2	2	2	2	2	2	2	2	2
Community Development	17	21	18	18	19	17	17	18	19	19
Streets	13	13	12	12	12	12	12	13	13	14
Parks and Recreation	19	19	17	17	17	17	17	17	16	16
Maintenance of Buildings/Vehicles	11	11	9	9	9	9	9	9	9	9
Engineering and Design	10	10	9	9	9	9	9	9	10	10
Water	9	11	11	11	11	9	9	9	9	9
Sewer	8	7	6	6	6	7	7	7	7	7
Storm Drain	1	1	1	1	1	1	1	1	1	1
Golf	3	3	3	3	3	4	4	4	4	4
Total	<u>238</u>	<u>244</u>	<u>228</u>	<u>226</u>	<u>227</u>	<u>225</u>	<u>225</u>	<u>227</u>	<u>228</u>	<u>229</u>

Sources: City of Coon Rapids Human Resources Department

TABLE 17

CITY OF COON RAPIDS, MINNESOTA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Special assessment divisions made	9	10	26	14	4	6	8	4	5	2
Physical inspections	4,085	3,975	5,604	4,430	4,182	4,428	4,326	5,068	5,454	5,635
Real estate divisions made	21	10	26	12	5	6	8	15	16	9
Number of purchase orders processed	2,971	2,859	2,328	2,510	2,707	2,679	2,764	2,338	1,841	1,792
Insurance claims processed	67	63	45	58	50	52	53	61	64	61
Number of W-2's issued	520	500	468	457	465	471	465	495	499	505
Turnover rate of employees	6.40%	2.46%	6.14%	1.30%	5.70%	5.75%	6.19%	8.37%	7.02%	6.52%
Cases resolved prior to trial	97%	98%	99%	98%	98%	98%	99%	99%	99%	93%
Public Safety:										
Police										
Formal complaints issued:										
Gross Misdemeanor	321	287	245	308	277	267	233	231	299	306
Misdemeanor and Petty	668	615	602	684	794	669	621	515	468	352
Accidents	2,221	2,179	1,969	1,732	1,815	1,785	2,034	2,063	2,012	1,889
Crimes Reported	3,341	3,173	2,886	2,985	2,742	2,148	1,911	1,836	1,941	1,987
Totals calls for service	43,217	42,010	39,573	39,133	40,270	38,761	37,650	38,164	44,607	43,321
Traffic citations	3,896	3,973	3,898	3,665	3,724	2,992	2,168	1,611	1,706	1,613
Fire										
Fire inspections of existing buildings	786	1,137	1,118	480	982	511	1,038	964	515	400
Total Fire Department calls (excluding medical)	1,839	1,385	1,533	1,415	1,695	1,556	1,473	1,688	1,731	1,894
Medical alarms	2,824	3,308	3,085	3,079	3,156	3,322	3,320	3,291	3,423	3,977
Community Services										
Number of persons in City Funded Senior Programs	3,115	3,294	3,798	4,087	4,214	4,315	4,294	4,191	3,820	3,615
Community Development										
Number of new housing units approved:										
-Single Family	9	83	1	10	21	33	15	13	26	20
-Multiple Family	97	0	0	8	5	0	0	0	0	2
Estimated number of complaint inspections performed	3,126	1,241	531	1,015	2,826	1,697	2,050	1,321	1,150	1,110
Number of building permits issued	3,137	2,877	2,447	2,219	2,270	2,523	2,230	2,038	2,089	2,328
Number of long grass complaints received	546	894	1,244	420	1,101	841	865	884	622	567
Number of rental units inspected	358	267	360	488	822	527	636	651	942	972
Streets										
Number of cul-de-sacs to plow	417	417	417	411	422	422	422	422	423	423
Miles of streets sealcoated	13	16	30	22	13	32	24	17.1	17.2	16.2
Miles of streets reconstructed	1.5	2.3	4.2	7.6	8.5	10.1	10.8	9.1	8.6	7.5
Miles of sidewalks plowed	87	88	88	87	87	84	101	102	102	102

TABLE 17

CITY OF COON RAPIDS, MINNESOTA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Parks and Recreation										
Number of City parks	55	44	44	44	44	44	44	44	45	45
Number of ice hours utilized (50 weeks)	2,335	2,335	2,324	2,053	2,225	2,127	2,001	2,680	2,734	3,223
Number of trees removed on private/public property	693	919	543	295	1,038	665	468	867	776	1,067
Maintenance of Buildings/Vehicles										
Number of licensed motor vehicles in fleet	178	178	178	188	200	209	206	212	210	195
Square footage of buildings maintained (excludes Public Works building)	73,500	73,500	73,500	73,500	73,500	73,500	73,500	73,500	73,500	73,500
Water										
Number of utility accounts	20,574	20,645	20,894	20,614	21,003	20,021	21,089	21,156	21,185	21,197
Sewer										
Miles of sewer lines jetted	73	71	62	78	77	34	32	86	79	54
Number of manholes checked & cleaned	3,849	1,727	1,675	2,072	2,078	1,064	5,925	1,128	1,163	1,272
Golf										
Number of golf rounds played (1)	85,444	81,544	86,000	90,000	n/a	n/a	n/a	n/a	n/a	n/a
Number of tournaments & leagues conducted	200	200	200	200	n/a	n/a	n/a	n/a	n/a	n/a
Number of paid adult golf rounds (1)					26,993	28,532	24,247	25,234	23,975	23,816
Number of paid membership rounds (1)					31,646	35,913	29,836	29,704	36,528	32,236
Number of memberships sold					1,660	2,048	2,017	2,092	2,107	2,031

(1) Golf measurements beginning in 2011 include only individually paid rounds. Previous years included estimates for tournaments.

Note: Figures not available for certain prior year indicators.

Sources: Various city departments

TABLE 18

CITY OF COON RAPIDS, MINNESOTA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety:										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	43	43	47	43	43	47	47	46	44	50
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles	25	27	22	24	24	24	25	25	25	28
Streets										
Streets (miles)	221.0	221.0	221.0	221.0	221.0	221.0	217.0	217.0	217.0	217.0
Cul-de-sacs	417	417	417	411	422	422	422	422	423	423
Parks and Recreation										
Parks acreage	889	871	871	871	871	871	902	902	902	902
Outdoor skating rinks	6	6	6	6	6	6	6	6	6	8
Indoor ice arena	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	292.4	293.0	293.0	293.6	293.6	293.6	300.4	300.4	300.4	300.4
East treatment plant capacity (millions of gallons)	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
West treatment plant capacity (millions of gallons)	14	14	14	14	14	14	14	14	14	14
# of wells	24	24	24	24	24	24	24	24	24	24
Maximum daily capacity (millions of gallons)	32.9	32.9	32.9	32.9	32.9	32.9	32.9	32.9	32.9	32.9
Sewer										
Sewer mains (miles)	251.0	247.0	247.0	247.2	247.2	247.2	249.2	249.2	249.2	249.2
Lift stations	16	16	16	16	16	16	16	16	16	16
Storm Water Drainage										
Storm sewer pipe (miles)	105.5	106.6	106.6	106.8	106.8	106.8	111.1	111.1	111.1	111.1

Sources: Various city departments

Note: No capital asset indicators are available for the general government function.